For the Year Ended
June 30, 1993

Comprehensive Annual Financial Report

State of Minnesota

STATE OF MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1993

PREPARED BY
DEPARTMENT OF FINANCE
JOHN GUNYOU, COMMISSIONER
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658 CEDAR STREET
ST. PAUL, MINNESOTA 55155

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STATE OF MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1993

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INTRODUCTION

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State of Minnesota
Department of Finance

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
(612) 296-5900

December 15, 1993

The Honorable Arne H. Carlson, Governor

Members of the Legislature

In accordance with Minnesota Statutes, Section 16A.50, the Department of Finance is pleased to submit the Comprehensive Annual Financial Report for the State of Minnesota for the fiscal year ended June 30, 1993. This report includes the financial statements for the state, and the disclosure necessary to accurately present the financial condition and results of operations for the year then ended. The report has been prepared in accordance with generally accepted accounting principles (GAAP) for governmental units and has earned an unqualified opinion.

The Department of Finance is responsible for the accuracy, fairness, and completeness of the financial statements, including all disclosures, presented in this report. The information presented is accurate in all material respects and includes all disclosures necessary for an understanding of the state's financial activities.

The report is divided into three sections: Introductory Section; Financial Section, including the auditor's opinion and basic financial statements; and the Statistical Section, containing financial and other data for prior and current years. The Notes to the Financial Statements, in the financial section, are necessary for an understanding of the information included in the statements. They include the Summary of Significant Accounting Policies and other necessary disclosure of matters relating to the financial position of the state.

All of the organizational units of the state which are controlled by, or dependent upon, the legislature and the constitutional officers are included in this report. A more complete description of the state's reporting entity and the criteria used in defining it are provided in Note 1 to the financial statements.

AN EQUAL OPPORTUNITY EMPLOYER

Economic Condition and Outlook

Minnesota's economy remained strong during the 1993 fiscal year. Payroll employment grew by 1.5 percent, while wage and salary disbursements grew by 6.5 percent. Both employment and wage and salary growth exceeded the national averages. Since the recession began in 1990, Minnesota has continually increased its share of U.S. jobs and wages.

Employment growth was concentrated in the services and trade sectors. Manufacturing employment grew even though national manufacturing employment declined, but Minnesota's growth rates were small, reflecting the continued slow growth in the national economy.

Output from Minnesota's agricultural sector will be down sharply during the 1993 crop year. A cold, rainy growing season held yields in corn and soybeans well below their historical averages. While federal disaster aid will make up part of the lost income for farmers, farm income for 1993 will be substantially below recent experience.

Despite farm sector losses, economic growth in Minnesota during fiscal 1994 is expected to proceed at a slightly stronger pace than in 1993. A strengthening U.S. economy should provide markets for additional output from Minnesota firms, adding further to local jobs and incomes. Finance Department economists expect, however, that growth in Minnesota will be slightly slower than that in the rest of the nation as regions hit harder by the 1990 recession begin their recovery.

Major Program Initiatives

Health care access. Minnesota passed landmark health care access and cost containment measures into law in 1992, after more than two years of extensive study and public debate. The law's primary goals are to curb the growing cost of health care, while providing expanded access to affordable health care for all Minnesotans.

MinnesotaCare creates a subsidized health insurance program in an incremental, comprehensive approach for uninsured residents. Health plans that will make it easier for small employers to obtain health care for their employees are also being developed. MinnesotaCare also addresses rural health care needs and concerns.

During 1993, the program began serving high priority needy clients, particularly children. In July 1994, households with no children will become eligible for MinnesotaCare as revenues are available.

The entire span of MinnesotaCare must stay within the financing allotment created within the law. This allotment includes (at varying effective dates) a five cent increase in the cigarette tax, a 2 percent health care provider tax and a 1 percent insurance gross premiums tax on non-profit health service corporations and health maintenance organizations.

The MinnesotaCare Program will cover an estimated 94,000 households, including 184,000 Minnesotans, by 1997. The long run success of the program ultimately rests on cost containment and insurance reform. If these are achieved, MinnesotaCare can attain its goals of providing affordable and accessible quality health care to the residents of Minnesota.

Education. In fiscal year 1993, the State Board of Education worked to develop learner goals and outcomes for use in an outcome based education (OBE) system. OBE is defined in statute as a " pupil centered, result-oriented system premised on the belief that all individuals can learn." The State Board of Education has developed recommendations for the achievement of state and local outcomes.

The State Board continued to review proposals to form "charter schools." These schools will be exempt from most rules and statutes applicable to a school board or school district, but they must be nonsectarian and tuition free. They are eligible for most state school aids, with the exception of several aid programs requiring a levy component. A maximum of 20 may exist throughout the state, and each plan must be approved by the State Board of Education.

The Learning Readiness Program was implemented in 1993. This program is designed to benefit four-year old children who have not entered kindergarten. Required components of the program include: 1) a plan to coordinate social services, 2) a development and learning feature, 3) health referral services, 4) nutrition, and 5) parental involvement. Highest priority is given to children identified as "being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness."

Also beginning in fiscal year 1993, funds became available to provide equalization of school district debt service levies. State aid for this purpose is being phased in over a three year period.

The 1993 Legislature adopted several changes in education funding policy that will become effective in F.Y. 1994 or F.Y. 1995. The major changes include:

- funds for pilot sites to develop performance standards and assessment models to accompany the proposed graduation rule, and to implement the process locally and build community support;

- several provisions encouraging greater collaboration among agencies at all levels of government to better serve the needs of children. The Children's Cabinet and the Legislative Committee on Children have been directed to work together to decide how services can best be delivered to meet the needs of the whole child;

- funds to reduce the teacher-student ratio in elementary classrooms;

- reduction in reliance on local property taxes and special referendums to move toward greater equality in the revenue available to districts;

- funding for local Youth Apprenticeship demonstration programs to provide youth with work-based learning in skilled occupations leading to employment.

Human services. Institutional care continued to be a major source of growth in the state's budget. The state's medical assistance payments for institutionalized elderly, mentally ill and disabled people rose about six percent, from $480 million in F.Y. 1992 to $507 million in F.Y. 1993, and is expected to increase an average of 7 percent per year for the next two years. Minnesota also saw unexpected growth in the percentage of the state's elderly in nursing homes who rely on public assistance. This increase, combined with the growing numbers of frail elderly, indicates that funding for institutional care will remain a critical funding issue in years ahead. The Governor has established a Long-Term Care Commission to develop a set of options to reduce the rate of growth of long-term care expenditures.

Major financial systems. Progress on the Statewide Systems Project, which will replace the state's major financial and human resource systems, continued in fiscal year 1993. Contracts were signed to partner the state with a prime contractor and software vendors in the development of new systems for accounting, payroll, human resources and purchasing.

Budget and functionality concerns earlier this year resulted in a realignment to the project to: re-evaluate the requirements for all agency accounting systems to be replaced; emphasize re-engineering opportunities for all areas; move forward planning for an executive information system; and develop improved cost data. This realignment was done to assure accurate cost information and assure the best system decisions. All systems are expected to be implemented by July 1, 1995, six months later than originally planned.

Accounts receivable management. The 1993 Legislature approved a plan to improve the state's management of accounts receivable. The plan includes: improvement of overall receivables management through statewide policies and procedures and reporting; development of a statewide collection organization which state agencies can use to supplement or replace their current collection resources; on a one time basis, use of statewide contracts with several private collection agencies to collect older receivables; and an increase in the legal resources for debt collection through a separate collection unit within the Office of the Attorney General.

As a separate initiative, the Departments of Revenue and Human Services have joined efforts to increase collections of child support payments that are in arrears. The collections unit of the Department of Revenue recently began accepting child support cases for collection.

Financial management reforms. The Governor and the Legislature enacted several long-term financial management reforms in the 1993 legislative session. Spending caps were adopted for estimated spending in the 1996-97 biennium. The Governor's contingency unallotment authority was expanded for the 1994-95 biennium. The Budget Reserve and Cash Flow Account was replenished to $400 million.

Performance Budgeting was used for the first time in the 1994-95 biennial budget. State agencies were required to define results they will accomplish, and will be held accountable for their performance through an annual reporting progress.

Baseline Budgeting was also used so that all programs are now subject to review, rather than automatic funding. State agencies and most other state-supported programs were required to fund all growth and program changes within their current spending base through service redesign and the elimination of lower priority programs.

Capital budget process. The Departments of Finance and Administration are implementing a reformed capital budget process that will culminate February 1 with the submission of the state's first Governor's 1994-99 Strategic Capital Budget Plan. Elements of the Strategic Plan include:

- Adoption of six-year debt management planning guidelines to provide for consideration of capital investment requests in their strategic context on the basis of uniform, systematic project planning data.

- Development of a debt capacity model, which projects the debt service implications of all approved capital projects. The model enables long-range capacity planning through a six-year analysis of future costs.

- Creation of a building classification system to assess the condition and suitability of existing capital assets. A building facility audit is required for every state-owned building requesting additional investment.

Strategic plan for location of state agencies. The Department of Administration will complete a strategic plan in December. This plan will address the need for office space for state agencies for the period 1993 - 2003. It will compare current space with the amount required during the next 20 years. The plan will focus on space needs in the St. Paul area, dissecting space options in the immediate capitol area, downtown St. Paul, and the broader surrounding area.

The strategic plan will assess the need for location in the immediate capitol area, adjacency needs for the state agencies, implications for infrastructure, and a transportation plan designed to reduce reliance on single occupancy vehicles. It will also analyze the mix between leased space and owned space. Previously, space needs for state agencies in the capitol area have been met through short-term leases, the least cost effective option for acquiring space.

Implementation of the strategic plan will be considered as part of the 1994-99 Strategic Capital Budget Plan. The Department of Administration has made specific capital budget requests that begin implementation of the plan. If implemented as recommended, the ratio of leased to owned space will increase from a 48-52 percent mix to a 70-30 percent mix over the next 20 years, with significant cost savings to the state.

Financial Information

The Department of Finance is responsible for the statewide accounting system (SWAS) from which these financial statements were prepared. The SWAS is maintained on a budgetary basis of accounting. The budgetary basis recognizes revenues and expenditures essentially on a cash basis, except that encumbrances at year end are considered expenditures. Since this budgetary basis differs from GAAP, adjustments to accounting data are necessary to provide financial statements in accordance with GAAP. These disparate bases result in budgetary fund balances which often differ significantly from those calculated under GAAP.

The Department of Finance is also responsible for designing and applying the state's system of internal accounting controls. These controls provide reasonable assurance that the state's assets are protected against loss and that the accounting records from which the financial statements are prepared are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit derived.

Budget process. The state's fiscal period is a biennium. The Governor's biennial budget is presented to the legislature in January of the odd numbered years for the upcoming biennium. State statutes require a balanced budget. Specific legislative appropriations are required for several funds. These funds include the General, Trunk Highway, Highway User Tax Distribution, State Airports, Game and Fish, Natural Resources, Minnesota Resources, Environmental and Health Care Access Funds.

Budgetary control is provided primarily through the accounting system. Appropriations are established in the accounting system at the amounts provided in the appropriation laws. The accounting system does not permit expenditures in excess of these amounts.

General fund. During fiscal year 1993, the total fund balance, on a GAAP basis, for the General Fund increased by $401.9 million to $692.5 million. At June 30, 1993, the unreserved, undesignated portion of the fund balance reflected a balance of $195 million, after providing for a $360 million budgetary reserve. This compares with a negative $301.8 million unreserved, undesignated fund balance at the end of fiscal year 1992 with a $400 million budgetary reserve. On a budgetary basis, the June 30, 1993, unrestricted (undesignated) fund balance for the General Fund was $464.2 million, compared with a deficit balance of $38.6 at the end of 1992.

General Fund revenues and transfers-in totaled $7,783,413,000 for fiscal year 1993, up 8.7 percent from those for fiscal year 1992. General Fund expenditures and transfers-out for the year totaled $7,383,715,000, an increase of only 1.9 percent from the previous year. Of this amount, $5,669,193,000 (76.8 percent), is in the form of grants and subsidies to local governments, individuals and non-profit organizations.

General government functions. General government functions are funded from the General, Special Revenue, Capital Projects and Debt Service funds. These funds account for the activities of most state operations, including those also financed from transportation, natural resources and federal revenue sources, plus numerous other smaller revenue sources. The total fund balances for all of these funds increased by $399.3 million, with a General Fund balance increase of $401.9 million and a capital projects funds increase of $20 million, with drops of $16.6 and 6.0 million in the special revenue and debt service funds respectively.

The net revenues, expenditures and transfers for these funds are presented below (expressed in thousands). The percent of total and the increases or decreases over F.Y. 1992 are also presented.

NET REVENUES:	1993 Amount	%	Increase/(Decrease) over F.Y. 1992 Amount	%
Individual Income Taxes	$ 3,470,244	29.1%	$ 321,504	10.2%
Corporate Income Taxes	507,703	4.3%	79,291	18.5%
Sales Tax	2,375,793	19.9%	183,246	8.4%
Fuel Taxes	462,136	3.9%	4,310	.9%
Other Taxes	1,537,255	12.9%	147,354	10.6%
Federal Revenues	2,777,063	23.3%	268,212	10.7%
Investment/Interest Income	63,994	.5%	(18,957)	(22.9)%
Other Revenues	732,985	6.1%	23,642	3.3%
Total Net Revenues	$ 11,927,173	100.0%	$ 1,008,602	9.2%

Overall revenue increases were again greater than in recent years. The increase in corporate income tax revenues is the result of increased profits and lower than expected refunds. The long-term effect of the refund change is not yet known. The increase in other taxes is the result of increases in several tax sources: motor vehicle excise taxes from increased auto sales; motor vehicle registration tax revenues from increased auto sales plus the last effects of an increase in fees for older passenger vehicles; increased deed and mortgage taxes from increased activity in mortgage refinancing to take advantage of low interest rates; and increased employer taxes to support the dislocated worker program. The continued low rate of return on investments brought about a 22.9 percent drop in investment revenues for these funds.

EXPENDITURES & NET TRANSFERS	1993 Amount	%	Increase (Decrease) over F.Y. 1992 Amount	%
Protection of Persons and Property	$ 179,303	1.5%	$ 9,689	5.7%
Transportation	329,310	2.8%	12,682	4.0%
Resource Management	234,420	2.0%	10,078	4.5%
Economic and Manpower Development	258,183	2.2%	22,495	9.5%
Education	550,497	4.7%	34,290	6.6%
Health and Social Services	559,378	4.8%	14,322	2.6%
General Government	243,343	2.1%	26,231	12.1%
Capital Outlays	518,411	4.4%	(20,434)	(3.8)%
Debt Service	313,776	2.7%	36,035	13.0%
Grants and Subsidies	8,215,341	70.2%	252,187	3.2%
Total Expenditures	$ 11,401,962	97.4%	$ 397,545	3.6%
Net Transfers-Out	300,671	2.6%	19,189	6.8%
Total Expenditures & Net Transfers	$11,702,633	100.0%	$ 416,764	3.7%

The overall 3.7 percent increase in expenditures and net transfers out is even lower than last year, which was the lowest since fiscal year 1986. General government expenditures increased mostly due to costs to relocate state agencies and the Minnesota Historical Society, and costs to develop new statewide administrative systems. The majority of the increase in debt service costs are for payments to local governments for loans received from them to finance highway projects in advance of state plans. These payments were made from the Trunk Highway Fund.

Enterprise fund operations. Retained earnings for the enterprise funds increased by $26.9 million, as restated, to $749.3 million. Of this amount, $504 million is reserved, primarily for debt repayment. Enterprise funds provide services to the general public and are expected to recover full costs, primarily through user charges. The Housing Finance Agency Funds had the largest increase in retained earnings, with net income exceeding $13 million. The Higher Education Coordinating Board Student Loan Fund followed with net income of $7.4 million. Included among the enterprise funds is the State Lottery Fund, whose income of $57.1 million after taxes was transferred to other state funds. This is $2.5 million more than last year's transfer.

Internal service fund operations. State internal service funds provide a variety of services to state agencies. These include computer services, motor pool, telecommunications, printing, management of the capitol complex buildings and insurance (employee health and life, and auto liability). The objective of these funds is to recover the full costs of services provided. Net income for the internal service funds was $6.5 million for fiscal year 1993, out of total operating revenues of $284.6 million. The internal service funds ended the year with total retained earnings of $92.5 million, up $6.5 million from last year. The largest

increase in retained earnings again occurred in the Employee Insurance Fund, with net income of $5 million, bringing its year end retained earnings to $78.5 million.

Fiduciary fund operations. Contributions to the various pension funds are set in statute at rates expected to fully amortize the unfunded pension benefit obligations of all plans by about 2020, with differing years for each fund. In recent years, contributions have been sufficient to cover the actuarially determined contribution requirements for most funds. Actuarial valuations are performed annually for all defined benefit pension funds, and the results are used to determine any changes needed in the contribution rates.

Grants totaling more than $969.5 million were provided from the expendable trust funds, primarily to local governments and individuals. Of this amount, $386 million of the various highway taxes went to cities and counties for roads and bridges. Another $32 million from earnings on the Permanent School Fund assets was distributed to school districts. Most of the remainder of the grants were for unemployment benefits funded by taxes on employers. The fund balance for the Unemployment Compensation (UC) Fund decreased by $60.9 million to $210.3 million. For the third consecutive year, benefits paid from the UC Fund exceeded the revenues collected.

Debt administration. During fiscal year 1993, Minnesota's credit ratings on general obligation bonds were AA+ (Standard & Poor's and Fitch) and Aa (Moody's). In the month following the close of the state's fiscal year, Fitch upgraded Minnesota to AAA. The state issued $186 million of new general obligation bonds, and $140.9 million of general obligation bonds were redeemed during 1993, leaving an outstanding balance of $1.7 billion. Additionally, $535.3 million of refunding bonds were issued to refund $503.7 of bonds outstanding, saving the state aggregate debt service payments of $29.4 million.

The state has a debt management policy which has three goals:

- Restore AAA/Aaa bond ratings
- Minimize state borrowing costs
- Provide a reasonable financing capacity within a prudent debt limit

The state debt management policy has three guidelines. The first requires that the ratio of budgeted biennial debt service expenditures for general obligation bonded debt, paid by transfers from the General Fund, should not exceed 3.0 percent of total projected biennial unrestricted General Fund non-dedicated revenues, net of refunds, on a budgetary basis. The ratio of transfers to net unrestricted revenues for the biennium ending June 30, 1993, was 2.8 percent.

The second and third guidelines state that general obligation bonded debt should not exceed 2.5 percent of the total personal income for the state, and also that the total debt of state agencies and the University of Minnesota should not exceed 3.5 percent of total personal income. These ratios were 1.83 percent and 2.89 percent, respectively, based on debt outstanding at June 30, 1993, and estimated personal income for the year ending on that date.

Risk management. The state is essentially self-insured against major losses. Insurance coverage is prohibited by statute except for college and university property, farms repossessed under the Family Farm Security Loan Program and workers' compensation coverage for the Department of Military Affairs. The Risk Management Fund (an internal service fund) provides for casualty claims for those state agencies authorized to acquire such insurance. The state is a member of the Workers' Compensation Reinsurance Association for workers' compensation claims in excess of $430,000. All other state workers' compensation claims are provided for on a current funding basis.

Employee health, dental and life insurance are provided mainly through contracts with outside organizations. However, the state retains the potential for liabilities for some health plans. Premiums collected for these benefits have been more than sufficient to cover claims submitted.

Audits

The independent Office of the Legislative Auditor performs post-audits of the activities of state agencies. Accordingly, they performed the audit of these financial statements and their opinion is included. They also issue an audit report to each state agency and a summary report to the legislature.

As a part of the audit of these financial statements, a single audit of federal programs is being conducted by the Office of the Legislative Auditor. This audit meets the requirements of the federal Single Audit Act of 1984. The audit covers federal program activities for state agencies for the year ended June 30, 1993. A supplementary report, "Financial and Compliance Report on Federally Assisted Programs" will be available in May 1994.

Certificate

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Minnesota for its comprehensive annual financial report for the fiscal year ended June 30, 1992. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

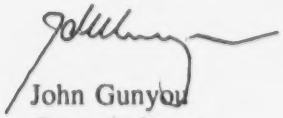
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Minnesota has received a Certificate of Achievement for each of the last eight fiscal years through June 30, 1992. The Department of Finance believes this current report continues to conform to the Certificate of Achievement Program requirements, and is being submitted to the GFOA.

Acknowledgements

Although the Department of Finance accepts final responsibility for this report, much of the data was provided by staff in many other state agencies. Assistance from these agencies ranged from providing necessary data to actual preparation of financial statements for their agencies' funds. I want to express my appreciation for the dedication of the many people in the Department of Finance who helped in the preparation of this report, as well as for the many people in other agencies, without whose efforts this report, with its unqualified audit opinion, would not have been possible.

Sincerely,



John Gunyou
Commissioner

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Minnesota

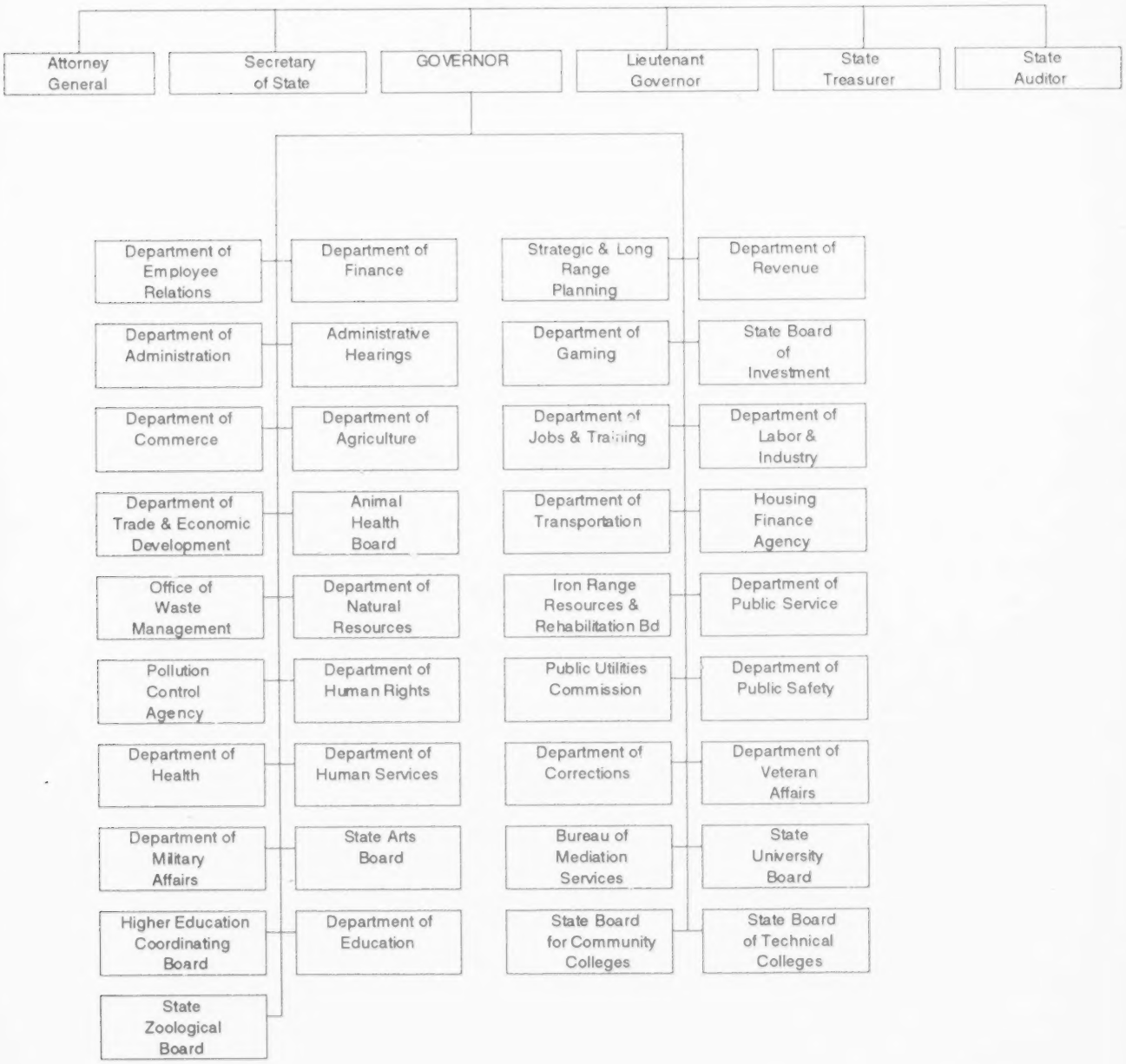
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1992

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Arnold L. Hahn
President

Jeffrey L. Esser
Executive Director

STATE ORGANIZATION CHART



STATE OF MINNESOTA

Principal Officials

EXECUTIVE BRANCH

GOVERNOR:	Arne H. Carlson
LIEUTENANT GOVERNOR:	Joanell M. Dyrstad
ATTORNEY GENERAL:	Hubert H. Humphrey, III
STATE TREASURER:	Michael M. McGrath
SECRETARY OF STATE:	Joan Anderson Growe
STATE AUDITOR:	Mark B. Dayton

LEGISLATIVE BRANCH

SPEAKER DESIGNATE OF THE HOUSE OF REPRESENTATIVES

Irv Anderson

PRESIDENT OF THE SENATE

Allan H. Spear

JUDICIAL BRANCH

CHIEF JUSTICE OF THE SUPREME COURT

A. M. Keith

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FINANCIAL SECTION

STATE OF MINNESOTA
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CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report

Members of the Legislature

The Honorable Arne Carlson, Governor

John Gunyou, Commissioner, Department of Finance

We have audited the accompanying general purpose financial statements of the State of Minnesota as of and for the years ended June 30, 1993 and 1992, as listed in the table of contents. These general purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Minnesota at June 30, 1993 and 1992, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the years then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Minnesota. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

James R. Nobles
Legislative Auditor

John Asmussen, CPA
Deputy Legislative Auditor

December 1, 1993

General Purpose Financial Statements

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1993
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
ASSETS AND OTHER DEBITS				
Cash and Cash Equivalents	$ 1,076,386	$ 501,900	$ 50,826	$ 226,717
Investments	–	6,128	6,418	39,213
Accounts Receivable	61,215	94,763	55	19
Interfund Receivables	50,752	24,901	–	395
Accrued Investment/Interest Income	15,562	213	13	530
Federal Aid Receivable	–	319,368	–	–
Inventories	–	15,438	–	–
Deferred Costs	–	–	–	–
Restricted Assets				
Cash and Cash Equivalents	–	–	–	–
Investments	–	–	–	–
Loans/Financing Leases Receivable	–	–	–	–
Other Restricted Assets	–	–	–	–
Loans/Notes/Financing Leases Receivable	18,473	152,644	20,040	–
Advances to Other Funds	1,948	525	–	–
Fixed Assets (Net)	–	–	–	–
Other Assets	–	–	–	–
Amount Available in Debt Service Fund	–	–	–	–
Amount to be Provided from General Fund	–	–	–	–
Amount to be Provided from Special Revenue Funds	–	–	–	–
Total Assets and Other Debits	$ 1,224,336	$ 1,115,900	$ 77,352	$ 266,874
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Warrants Payable	$ –	$ –	$ –	$ –
Accounts Payable	455,567	446,411	14,749	2,741
Interfund Payables	18,812	62,019	461	–
Payable to Other Governmental Units	–	42,170	–	–
Deferred Revenue	56,472	23,417	–	–
Payable from Restricted Assets				
General Obligation Bonds Payable	–	–	–	–
Revenue Bonds Payable	–	–	–	–
Accrued Bond Interest Payable	–	–	–	–
Other Payable from Restricted Assets	–	–	–	–
General Obligation Bonds Payable	–	–	–	–
Loans/Notes Payable	–	–	–	–
Installment Purchases Payable	–	–	–	–
Revenue Bonds Payable	–	–	–	–
Grants Payable	–	–	–	–
Claims Payable	–	–	–	–
Compensated Absences Payable	–	–	–	–
Advances from Other Funds	–	311	–	–
Workers' Compensation Liability	–	–	–	–
Funds Held in Trust	–	–	–	1,847
Other Liabilities	–	–	–	–
Total Liabilities	$ 531,851	$ 574,328	$ 15,210	$ 4,588
Equity and Other Credits				
Contributed Capital	$ –	$ –	$ –	$ –
Investment in General Fixed Asse'ts	–	–	–	–
Retained Earnings				
Reserved for Debt Requirements	–	–	–	–
Reserved per Law	–	–	–	–
Reserved for Claims	–	–	–	–
Unreserved Retained Earnings	–	–	–	–
Fund Balances				
Reserved for Encumbrances	70,653	82,718	–	–
Reserved for Inventory	–	19,882	–	–
Reserved for Long-Term Receivables	20,530	147,267	20,040	–
Reserved for Long-Term Commitments	–	38,214	35,236	–
Reserved for Local Governments	–	–	–	–
Reserved for Trust Principal	–	–	–	–
Reserved for Debt Requirements	–	23,750	–	262,286
Reserved for Pension Benefits	–	–	–	–
Budgetary Reserve	360,000	–	–	–
Reserved for Other	–	10,271	–	–
Unreserved Fund Balances				
Designated for Appropriation Carryover	46,326	6,839	–	–
Designated for Fund Purposes	–	171,789	–	–
Undesignated	194,976	40,842	6,866	–
Total Equity and Other Credits	$ 692,485	$ 541,572	$ 62,142	$ 262,286
Total Liabilities, Equity and Other Credits	$ 1,224,336	$ 1,115,900	$ 77,352	$ 266,874

The notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION	JUNE 30, 1993	JUNE 30, 1992
$ 352,123	$ 98,593	$ 2,068,810	$ –	$ –	$ 4,375,355	$ 4,001,495
308,576	225	17,366,797	–	–	17,727,357	15,926,837
19,173	20,774	896,302	–	–	1,092,301	261,606
–	77	62,370	–	–	138,495	108,067
26,717	1	82,493	–	–	125,529	162,379
–	–	7,374	–	–	326,762	304,353
21,792	1,014	5,660	–	–	43,904	43,071
26,609	365	114	–	–	27,086	28,642
203,159	–	–	–	–	203,159	181,945
350,114	–	–	–	–	350,114	412,020
395,580	–	–	–	–	395,580	309,806
57,000	–	–	–	–	57,000	47,921
1,793,612	87	7,426	–	–	1,992,282	1,972,013
32	–	–	–	–	2,505	7,213
73,616	23,226	16,090	1,756,644	–	1,869,576	1,765,211
191	–	29	–	–	220	206
–	–	–	–	164,350	164,350	143,975
–	–	–	–	1,988,734	1,988,734	1,952,967
–	–	–	–	381,316	381,316	384,343
$ 3,628,294	$ 144,362	$ 20,513,465	$ 1,756,644	$ 2,534,400	$ 31,261,627	$ 28,014,070
$ –	$ –	$ 165,227	$ –	$ –	$ 165,227	$ 156,303
25,877	14,028	581,232	–	–	1,541,605	944,873
7,211	1,357	48,635	–	–	138,495	108,067
–	–	5,986	–	–	48,156	40,795
1,288	372	2,949	–	–	84,498	83,759
805	–	–	–	–	805	200
595,627	–	–	–	–	595,627	564,265
81,851	–	–	–	–	81,851	100,086
4,814	–	–	–	–	4,814	4,542
3,220	–	–	–	1,706,885	1,710,105	1,634,130
37	25,947	–	–	42,218	68,202	94,085
–	58	–	–	–	58	852
1,815,570	465	–	–	39,350	1,855,385	1,984,469
–	–	–	–	395,126	395,126	395,453
–	–	–	–	54,103	54,103	56,964
3,344	1,984	814	–	154,227	160,369	150,436
–	1,639	555	–	–	2,505	7,213
–	–	–	–	108,961	108,961	99,661
155,386	–	638,184	–	–	795,417	674,393
376	–	–	–	33,530	33,906	36,667
$ 2,695,406	$ 45,850	$ 1,443,582	$ –	$ 2,534,400	$ 7,845,215	$ 7,137,413
$ 183,626	$ 6,045	$ –	$ –	$ –	$ 189,671	$ 146,059
–	–	–	1,756,644	–	1,756,644	1,660,410
417,700	–	–	–	–	417,700	404,860
86,488	–	–	–	–	86,488	71,873
–	78,518	–	–	–	78,518	73,524
245,074	13,949	–	–	–	259,023	258,066
–	–	17,472	–	–	170,843	165,675
–	–	5,660	–	–	25,542	19,619
–	–	17,683	–	–	205,520	222,397
–	–	–	–	–	73,450	79,812
–	–	480,408	–	–	480,408	517,971
–	–	451,830	–	–	451,830	426,238
–	–	–	–	–	286,036	291,920
–	–	17,808,828	–	–	17,808,828	15,790,521
–	–	–	–	–	360,000	400,000
–	–	2,134	–	–	12,405	15,288
–	–	–	–	–	53,165	97,276
–	–	285,868	–	–	457,657	442,316
–	–	–	–	–	242,684	(227,268)
$ 932,888	$ 98,512	$ 19,069,883	$ 1,756,644	$ –	$ 23,416,412	$ 20,876,657
$ 3,628,294	$ 144,362	$ 20,513,465	$ 1,756,644	$ 2,534,400	$ 31,261,627	$ 28,014,070

The notes are an integral part of the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	EXPENDABLE TRUST	JUNE 30, 1993	JUNE 30, 1992
Net Revenues:							
Individual Income Taxes	$ 3,470,244	$ –	$ –	$ –	$ –	$ 3,470,244	$ 3,148,740
Corporate Income Taxes	507,703	–	–	–	–	507,703	428,412
Sales Taxes	2,375,793	–	–	–	–	2,375,793	2,192,547
Motor Vehicle License Taxes	823	383,386	–	–	–	384,209	349,549
Fuel Taxes	–	462,136	–	–	–	462,136	457,826
Other Taxes	886,956	246,936	–	19,154	320,901	1,473,947	1,365,412
Federal Revenues	15,991	2,760,929	2	141	152,184	2,929,247	2,603,662
License Fees	45,709	98,511	–	–	–	144,220	164,489
Care and Hospitalization Revenues	105,799	1,911	–	–	–	107,710	102,782
Tuition and Student Fees	174,884	7,234	–	–	–	182,118	165,085
Departmental Services	52,069	93,696	–	–	–	145,765	102,730
Investment/Interest Income	21,788	27,044	5,532	9,630	42,589	106,583	144,937
Other Revenues	63,659	83,675	2,444	3,394	14,139	167,311	189,300
Net Revenues	$ 7,721,418	$ 4,165,458	$ 7,978	$ 32,319	$ 529,813	$ 12,456,986	$ 11,415,471
Expenditures:							
Current:							
Protection of Persons and Property	$ 99,078	$ 79,700	$ 525	$ –	$ 8	$ 179,311	$ 169,619
Transportation	847	328,463	–	–	3,810	333,120	321,684
Resource Management	98,893	127,771	7,756	–	3,650	238,070	226,494
Economic and Manpower Development	58,415	199,768	–	–	1,722	259,905	237,558
Education	481,338	48,506	20,653	–	4,507	555,004	520,689
Health and Social Services	463,149	94,927	1,302	–	1,289	560,667	546,166
General Government	195,103	26,689	21,202	349	2,851	246,194	217,833
Total Current Expenditures	$ 1,396,823	$ 905,824	$ 51,438	$ 349	$ 17,837	$ 2,372,271	$ 2,240,043
Capital Outlay	15,606	470,972	31,833	–	–	518,411	538,845
Debt Service	9,768	46,509	–	257,499	–	313,776	277,759
Grants and Subsidies	5,669,193	2,495,348	50,800	–	969,499	9,184,840	8,837,465
Total Expenditures	$ 7,091,390	$ 3,918,653	$ 134,071	$ 257,848	$ 987,336	$ 12,389,298	$ 11,894,112
Excess of Revenues Over (Under) Expenditures	$ 630,028	$ 246,805	$ (126,093)	$ (225,529)	$ (457,523)	$ 67,688	$ (478,641)
Other Financing Sources (Uses):							
General Obligation Bonds	$ –	$ 34,945	$ 150,280	$ 750	$ –	$ 185,975	$ 195,000
Proceeds of Refunding Bonds	–	–	–	535,360	–	535,360	–
Proceeds from Loans	–	4,828	–	–	–	4,828	18,669
Operating Transfers–In	58,324	586,793	4,412	227,498	368,369	1,245,396	1,204,828
Operating Transfers to Debt Service	(197,636)	(21,947)	(7,915)	–	–	(227,498)	(238,975)
Other Operating Transfers–Out	(94,483)	(855,398)	(23)	–	(1,615)	(951,519)	(899,609)
Capital Leases	3,334	4,952	–	–	–	8,286	7,744
Payment to Refunded Bonds Escrow Agent	–	–	–	(544,132)	–	(544,132)	–
Other Sources (Uses)	(1,113)	(3)	–	–	340	(776)	(210)
Net Other Financing Sources (Uses)	$ (231,574)	$ (245,830)	$ 146,754	$ 219,476	$ 367,094	$ 255,920	$ 287,447
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 398,454	$ 975	$ 20,661	$ (6,053)	$ (90,429)	$ 323,608	$ (191,194)
Fund Balances, July 1, as Reported	$ 290,566	$ 558,226	$ 42,100	$ 268,238	$ 899,654	$ 2,058,784	$ 2,301,431
Prior Period Adjustments	–	(13,778)	–	–	–	(13,778)	(74,241)
Fund Balances, July 1, as Restated	$ 290,566	$ 544,448	$ 42,100	$ 268,238	$ 899,654	$ 2,045,006	$ 2,227,190
Residual Equity Transfers–In	3,671	–	–	101	–	3,772	15,390
Residual Equity Transfers–Out	(206)	(3,243)	(619)	–	–	(4,068)	(6,313)
Change in Inventory	–	(608)	–	–	–	(608)	(67)
Fund Balances, June 30	$ 692,485	$ 541,572	$ 62,142	$ 262,286	$ 809,225	$ 2,367,710	$ 2,045,006

The notes are an integral part of the financial statements.

STATE OF MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND AND APPROPRIATED SPECIAL REVENUE FUNDS BUDGETARY BASIS

YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Individual Income Taxes	$ 3,389,700	$ 3,471,374	$ 81,674	$ –	$ –	$ –
Corporate Income Taxes	496,200	509,533	13,333	–	–	–
Sales Taxes	2,402,716	2,374,192	(28,524)	–	–	–
Motor Vehicle License Taxes	–	–	–	383,057	383,236	179
Fuel Taxes	–	–	–	461,985	462,519	534
Other Taxes	870,051	880,139	10,088	52,282	51,361	(921)
Federal Revenues	–	–	–	238,200	185,896	(52,304)
Other Intergovernmental Revenues	232,526	221,330	(11,296)	–	–	–
License Fees	–	–	–	64,149	70,403	6,254
Care and Hospitalization Revenues	165,647	160,210	(5,437)	1,707	1,717	10
Tuition and Student Fees	157,485	173,032	15,547	–	–	–
Departmental Services	–	–	–	27,859	24,383	(3,476)
Investment/Interest Income	23,200	21,917	(1,283)	12,802	8,164	(4,638)
Other Revenues	300,140	289,654	(10,486)	23,442	21,649	(1,793)
Net Revenues	$ 8,037,765	$ 8,101,381	$ 63,616	$ 1,265,483	$ 1,209,328	$ (56,155)
Expenditures:						
Protection of Persons and Property	$ 158,757	$ 152,348	$ 6,409	$ 76,654	$ 74,969	$ 1,685
Transportation	39,165	39,132	33	776,357	698,854	77,503
Resource Management	129,053	128,797	256	106,359	100,478	5,881
Economic and Manpower Development	100,023	98,338	1,685	2,543	2,261	282
Education	3,568,094	3,507,189	60,905	5,194	5,056	138
Health and Social Services	2,469,016	2,410,323	58,693	14,721	10,149	4,572
General Government	1,147,236	1,132,315	14,921	6,406	4,380	2,026
Total Expenditures	$ 7,611,344	$ 7,468,442	$ 142,902	$ 988,234	$ 896,147	$ 92,087
Excess of Revenues Over (Under) Expenditures	$ 426,421	$ 632,939	$ 206,518	$ 277,249	$ 313,181	$ 35,932
Other Financing Sources (Uses):						
Proceeds from Loans	$ –	$ –	$ –	$ 6,600	$ 399	$ (6,201)
Operating Transfers – In	30,817	33,421	2,604	513,367	510,374	(2,993)
Operating Transfers to Debt Service	(197,775)	(197,775)	–	(16,144)	(15,847)	297
Other Operating Transfers – Out	(102,198)	(97,791)	4,407	(842,834)	(841,680)	1,154
Net Other Financing Sources (Uses)	$ (269,156)	$ (262,145)	$ 7,011	$ (339,011)	$ (346,754)	$ (7,743)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 157,265	$ 370,794	$ 213,529	$ (61,762)	$ (33,573)	$ 28,189
Fund Balances, July 1, 1992, as Reported	449,879	449,879	–	105,803	105,803	–
Change in Reporting Entity	–	–	–	(481)	(481)	–
Prior Year Adjustments	20,642	57,209	36,567	–	21,812	21,812
Estimated Appropriation Cancellations	11,275	–	(11,275)	–	–	–
Total Fund Balances, June 30, 1993	$ 639,061	$ 877,882	$ 238,821	$ 43,560	$ 93,561	$ 50,001
Less: Appropriation Carryover	–	53,728	(53,728)	–	6,839	(6,839)
Less: Reserve for Other	–	–	–	2,929	2,968	(39)
Less: Budgetary Reserve	360,000	360,000	–	–	–	–
Undesignated Fund Balances, June 30, 1993	$ 279,061	$ 464,154	$ 185,093	$ 40,631	$ 83,754	$ 43,123

The notes are an integral part of the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	JUNE 30, 1993	JUNE 30, 1992
Operating Revenues:						
Net Sales	$ 373,876	$ 14,610	$ –	$ 4,682	$ 393,168	$ 358,729
Contributions	–	–	685,435	–	685,435	660,510
Interest Income	150,960	–	–	–	150,960	156,526
Investment Income	50,924	–	1,467,182	37,655	1,555,761	1,756,369
Rental and Service Fees	62,378	73,311	–	1,086	136,775	122,802
Insurance Premiums	–	194,200	–	–	194,200	189,789
Realized and Unrealized Gains	–	–	442,046	–	442,046	469,635
Other Income	1,046	2,466	5,153	426	9,091	6,778
Total Operating Revenues	$ 639,184	$ 284,587	$ 2,599,816	$ 43,849	$ 3,567,436	$ 3,721,138
Less Cost of Goods Sold	282,071	8,444	–	–	290,515	259,053
Gross Margin	$ 357,113	$ 276,143	$ 2,599,816	$ 43,849	$ 3,276,921	$ 3,462,085
Operating Expenses:						
Annuity Payments	$ –	$ –	$ 658,421	$ –	$ 658,421	$ 590,936
Refunded Contributions	–	–	26,224	–	26,224	26,338
Interest and Financing Costs	169,880	46	3,219	–	173,145	178,319
Purchased Services	45,796	117,454	2,618	468	166,336	145,113
Investment Management Fees	–	–	14,612	47	14,659	12,709
Salaries and Fringe Benefits	44,606	22,153	6,345	50	73,154	69,909
Claims	–	105,060	–	–	105,060	102,029
Depreciation	6,154	11,796	208	1	18,159	21,877
Amortization	3,728	88	–	–	3,816	3,534
Supplies and Materials	5,946	3,665	209	1	9,821	9,090
Indirect Costs	950	1,776	85	–	2,811	2,838
Other Expenses	8,291	353	403	–	9,047	6,791
Total Operating Expenses	$ 285,351	$ 262,391	$ 712,344	$ 567	$ 1,260,653	$ 1,169,483
Operating Income	$ 71,762	$ 13,752	$ 1,887,472	$ 43,282	$ 2,016,268	$ 2,292,602
Nonoperating Revenues (Expenses):						
Investment Income	$ 9,768	$ 5,502	$ –	$ –	$ 15,270	$ 17,954
Participant Contributions	–	–	56,182	–	56,182	37,330
Grants and Subsidies	80,658	–	–	–	80,658	64,039
Local Association Mergers	–	–	160,205	–	160,205	17,129
Other Nonoperating Revenues	301	–	346	–	647	239
Interest and Financing Costs	(1,473)	(1,859)	–	–	(3,332)	(3,823)
Participant Withdrawals	–	–	(83,317)	–	(83,317)	(34,487)
Grants, Aids and Subsidies	(90,533)	–	–	–	(90,533)	(72,939)
Other Nonoperating Expenses	(675)	(2,170)	(2,681)	–	(5,526)	(261)
Gain (Loss) on Sale of Fixed Assets	(38)	(54)	–	2,363	2,271	1,150
Net Nonoperating Revenues (Expenses)	$ (1,992)	$ 1,419	$ 130,735	$ 2,363	$ 132,525	$ 26,331
Income Before Operating Transfers	$ 69,770	$ 15,171	$ 2,018,207	$ 45,645	$ 2,148,793	$ 2,318,933
Operating Transfers – In	20,185	–	1,959	22,858	45,002	44,210
Operating Transfers – Out	(57,837)	(8,672)	(1,959)	(42,911)	(111,379)	(110,454)
Net Income before Extraordinary Item	$ 32,118	$ 6,499	$ 2,018,207	$ 25,592	$ 2,082,416	$ 2,252,689
Extraordinary Loss on Debt Extinguishment	(5,524)	–	–	–	(5,524)	(3,692)
Net Income	$ 26,594	$ 6,499	$ 2,018,207	$ 25,592	$ 2,076,892	$ 2,248,997
Depreciation on Fixed Assets Acquired with Contributed Capital	362	1	–	–	363	370
Increase in Retained Earnings/Fund Balances	$ 26,956	$ 6,500	$ 2,018,207	$ 25,592	$ 2,077,255	$ 2,249,367
Retained Earnings/Fund Balances, July 1, as Reported	$ 722,356	$ 87,373	$ 15,790,621	$ 426,238	$ 17,026,588	$ 14,784,834
Prior Period Adjustments	–	–	–	–	–	(5,462)
Changes in Reporting Entity	–	(1,406)	–	–	(1,406)	5,533
Retained Earnings/Fund Balances, July 1, as Restated	$ 722,356	$ 85,967	$ 15,790,621	$ 426,238	$ 17,025,182	$ 14,784,905
Residual Equity Transfers – Out	(50)	–	–	–	(50)	(9,090)
Retained Earnings/Fund Balances, June 30	$ 749,262	$ 92,467	$ 17,808,828	$ 451,830	$ 19,102,387	$ 17,025,182

The notes are an integral part of the financial statements.

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1993	JUNE 30, 1992
Cash Flows from Operating Activities:					
Operating Income (Loss)	$ 71,762	$ 13,752	$ 43,282	$ 128,796	$ 134,865
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation	$ 6,154	$ 11,933	$ 1	$ 18,088	$ 21,802
Amortization	3,728	88	–	3,816	3,534
Investment Income	(50,924)	–	(37,655)	(88,579)	(92,022)
Interest and Financing Costs	169,880	46	–	169,926	175,687
Loan Principal Repayments	237,107	–	–	237,107	200,800
Loans Issued	(342,438)	–	–	(342,438)	(275,734)
Provision for Loan Defaults	4,645	–	–	4,645	4,243
Customer Deposits	58,257	–	–	58,257	42,536
Return of Customer Deposits	(41,532)	–	–	(41,532)	(45,606)
Change in Assets and Liabilities:					
Accounts Receivable	(2,959)	(1,070)	277	(3,752)	(7,393)
Inventories	650	59	–	709	(9,399)
Other Assets	(138)	(138)	–	(276)	(554)
Accounts Payable	2,643	661	(29)	3,275	1,238
Deferred Revenues	(655)	174	–	(481)	(597)
Other Liabilities	(1,376)	983	–	(393)	106
Net Reconciling Items to be Added (Deducted) from Operating Income	$ 43,042	$ 12,736	$ (37,406)	$ 18,372	$ 18,641
Net Cash Flows from Operating Activities	$ 114,804	$ 26,488	$ 5,876	$ 147,168	$ 153,506
Cash Flows from Noncapital Financing Activities:					
Grant Receipts	$ 80,960	$ –	$ –	$ 80,960	$ 64,268
Grant Disbursements	(90,533)	–	–	(90,533)	(72,962)
Other Nonoperating Expenses	–	(2,166)	–	(2,166)	–
Transfers – In	20,185	–	21,533	41,718	44,247
Transfers – Out	(54,522)	(10,176)	(39,066)	(103,764)	(104,723)
Residual Equity Transfers – Out	(300)	–	–	(300)	(8,840)
Capital Contributions	37,416	–	–	37,416	29,106
Advances from Other Funds	–	53	–	53	4,384
Repayments of Advances from Other Funds	(33)	(4,198)	–	(4,231)	(389)
Advances to Other Funds	–	–	–	–	(484)
Proceeds from Bond Sales	257,066	–	–	257,066	506,732
Repayment of Bond Principal	(392,073)	–	–	(392,073)	(313,865)
Bond Issuance Costs	(3,430)	–	–	(3,430)	(4,935)
Interest Paid	(175,193)	(69)	–	(175,262)	(158,476)
Net Cash Flows from Noncapital Financing Activities	$ (320,457)	$ (16,556)	$ (17,533)	$ (354,546)	$ (15,937)
Cash Flows from Capital and Related Financing Activities:					
Investment in Fixed Assets	$ (13,683)	$ (12,244)	$ –	$ (25,927)	$ (23,993)
Proceeds from the Sale of Fixed Assets	54	785	1,660	2,499	2,018
Advances from Other Funds	–	4,085	–	4,085	3,200
Repayments of Advances from Other Funds	(15)	(3,914)	–	(3,929)	(2,747)
Proceeds from Loans	–	10,626	–	10,626	7,504
Repayment of Loan Principal and Other Capital Debt	–	(9,463)	–	(9,463)	(10,130)
Collection of Financing Leases Receivable	7,050	31	–	7,081	6,409
Proceeds from Bond Sales	81,719	–	–	81,719	49,136
Repayment of Bond Principal	(36,706)	(2,276)	–	(38,982)	(25,564)
Interest Paid	(16,263)	(1,883)	–	(18,146)	(15,394)
Net Cash Flows from Capital and Related Financing Activities	$ 22,156	$ (14,253)	$ 1,660	$ 9,563	$ (9,561)
Cash Flows from Investing Activities:					
Proceeds from Sales and Maturities of Investments	$ 568,787	$ 600	$ 23,026	$ 592,413	$ 776,769
Purchase of Investments	(504,277)	–	(65,337)	(569,614)	(894,836)
Investment Earnings	58,191	5,490	37,260	100,941	112,702
Net Cash Flows from Investing Activities	$ 122,701	$ 6,090	$ (5,051)	$ 123,740	$ (5,365)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (60,796)	$ 1,769	$ (15,048)	$ (74,075)	$ 122,643
Cash and Cash Equivalents, July 1	616,078	91,643	56,192	763,913	646,451
Change in Reporting Entity	–	5,181	–	5,181	–
Cash and Cash Equivalents, June 30	$ 555,282	$ 98,593	$ 41,144	$ 695,019	$ 769,094

The notes are an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1993

These notes provide disclosures relevant to the combined financial statements on the preceding pages.

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation

The reporting policies of the state of Minnesota conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity of the State of Minnesota

This report includes the various state departments, agencies, institutions and organizational units which are controlled by or dependent upon the Minnesota Legislature and/or its constitutional officers. The criteria used to determine the state's reporting entity were degrees of financial interdependence, fiscal accountability, administrative control, and scope of public service. All governmental units not meeting those criteria, and therefore considered to be autonomous from the state, have been excluded from this report.

Although partially supported by state appropriations, the University of Minnesota has not been included in the reporting entity. The high degree of autonomy of the University was of primary importance in deciding upon its exclusion. This autonomy is attributed to the independence of its governing board, the Board of Regents, which controls the administration and operation of the University. The Board of Regents' authority for overall budget approval and responsibility for funding of deficits or use of surpluses were also significant in determining the University's exclusion. The University is the only significant exclusion from the state's reporting entity.

The state universities and community colleges are, however, an integral part of the state's operations. Their primary operations are accounted for on the Statewide Accounting System and they are subject to the same controls as all other state agencies. The results of operations and the financial position for the colleges and universities, therefore, do not appear as discrete presentations in these financial statements but are blended in with the activities of all state agencies in the appropriate funds or fund types.

The organizations below, which are included in this report, also prepare and publish their own financial reports which may contain differences in presentation resulting from differing reporting emphases:

Minnesota Technology, Inc.
Housing Finance Agency
Higher Education Facilities Authority
State University Board (revenue fund)
Higher Education Coordinating Board (student loan fund)
Department of Trade and Economic Development (Public Facilities Authority fund)
State Lottery
Public Employees Retirement Association
Teachers Retirement Association
Minnesota State Retirement System
State Board of Investment (investment trust funds)

Copies of their reports may be obtained directly from the organizations.

Classification of Funds

Individual funds have been established as stipulated by legal provisions or by administrative discretion. The funds presented are classified as follows.

Governmental Funds account for the acquisition, use and balances of expendable financial resources and the related current liabilities. Most state operations are accounted for in this fund category. Included in this classification are the General Fund (accounts for all financial resources except those required to be accounted for in another fund), special revenue, capital projects and debt service fund types. The Debt Service Fund accounts for the accumulation of resources for, and the payment of, most general obligation long-term debt principal and interest.

Proprietary Funds account for all assets, liabilities and equities, and match revenues and expenses to determine net income and capital maintenance. The fund types included in this category are the enterprise and internal service funds.

Fiduciary Funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Included in this fund category are expendable and nonexpendable trust, pension trust and agency fund types. Depending on their nature, fiduciary funds are classified for accounting measurement purposes like governmental (expendable trust funds) or proprietary funds (pension trust and nonexpendable trust funds). Agency funds are custodial in nature; thus they do not measure results of operations.

Account Groups provide the means to account for the fixed assets acquired, and the general obligation long-term indebtedness, for all governmental fund types.

Basis of Accounting

All proprietary, pension trust and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized as they are incurred. All governmental, expendable trust and agency funds are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting includes the following recognition principles.

Revenues: Individual income, sales and unemployment compensation taxes and federal grants are the major revenue sources susceptible to accrual. Tax revenues are recognized in the period they become both measurable and available to finance expenditures of the current period. Measurable means that taxpayer liability is supported by sufficient documentation and can be reasonably estimated. Available means collectible by the September close of the books. Similarly, anticipated refunds of such taxes are recorded as reductions in revenue in the period when the claim is received and the state's liability is measurable. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal grant revenues, to which the state does not yet have legal entitlement, are reported as deferred revenue until the related commitment arises, at which time revenue is recognized.

Expenditures and Related Liabilities: Expenditures and payables are recognized when fund obligations are incurred as a result of the receipt of goods and services, except principal and interest on long term debt, which is recorded when due. Grant expenditures are discussed separately.

Encumbrances: Encumbrance accounting is used for budgetary control and reporting purposes only. In the financial statements, encumbrances are recorded in the balance sheet as a reservation of fund balance for subsequent year expenditures, except for those long-term commitments which rely significantly on future resources as discussed in Note 9.

Grants Expenditures and Liabilities Recognition

Grants are contributions of cash or other assets by the state to other governmental units, individuals or to nongovernmental organizations. The GAAP requirement that expenditures and liabilities be recognized at the point goods and services are received is not relevant for grants because the state does not receive a direct service for grant payments. It is therefore necessary to use different criteria for the recognition of grant expenditures and liabilities.

Grants are normally paid on an entitlement or reimbursement basis. Reimbursements can be for specific services provided to eligible recipients or such reimbursements can be for eligible types of expenditures. Grants paid on a reimbursement basis are recognized as expenditures and liabilities in the year in which the grantee incurs the costs of specific services to eligible recipients or makes eligible types of expenditures. Entitlement type grants may be based on services provided by the grantee which the grant is meant to help fund, but not based on the cost of providing the service. Expenditures and related liabilities for these types of entitlement grants are recognized as the service is provided if the amount owed is reasonably estimable soon after the end of the fiscal year. Other types of entitlement type grants are not based on services provided or actions taken by the grantee. Expenditures and related liabilities for these types of grants are recognized in the fiscal year in which the resources were appropriated.

Compensated Absences

State employees accrue vacation leave, sick leave and compensatory leave at various rates within limits specified in collective bargaining agreements. Such leave is liquidated in cash only at the

time of termination from state employment. For governmental funds, the liability for compensated absences is reported in the General Long-Term Obligation Account Group. All other fund types report this liability as a fund liability.

Cash Equivalents and Investments

Cash equivalents are short term, highly liquid investments having original maturities (remaining time to maturity at acquisition) of three months or less. Also included are cash management pools and money market funds that are used essentially as demand deposit accounts.

Investments are reported at market value for the investment trust funds, defined contribution funds and the Deferred Compensation Fund, which are all fiduciary funds. All other funds report equity securities at cost and debt securities at amortized cost.

Inventories

Inventories for governmental funds are recorded as expenditures when purchased and therefore are not a resource available for appropriation. Inventories for all other funds are expensed when consumed. Inventories maintained by the various funds are determined by annual and periodic physical counts. The Trunk Highway Fund (special revenue fund) inventories are valued using the weighted-average cost. Inventories of the Miscellaneous Special Revenue and Northeast Minnesota Economic Protection (expendable trust) funds consist of repossessed properties, held for resale, and are valued at market. Enterprise funds' inventories are valued using first-in first-out, average cost and specific cost methods. Internal service funds' inventories are valued using the first-in first-out method.

Restricted Assets

Mandatory asset segregations are presented in various enterprise funds as restricted assets. Such segregations are required by bond covenants and other external restrictions. The excess of restricted assets over liabilities payable from restricted assets will first be used for bonds payable. The remainder, if any, is included in reserved retained earnings.

Fixed Assets

Governmental Fund Types - Fixed assets for these funds are reported in the General Fixed Assets Account Group. General fixed assets are recorded at cost or, for donated assets, at fair market value at the date of acquisition. An inventory of land and buildings for general fixed assets was completed in 1985. Historical cost records for older fixed assets are incomplete or not available. Accordingly, estimated historical costs have been used in these situations. Tax forfeited land is not included in land inventory because the state does not take permanent title; when the land is sold, proceeds are distributed to local jurisdictions. Public domain (infrastructure) general fixed assets such as highways, curbs, bridges and lighting systems are not capitalized. Depreciation is not provided on general fixed assets nor is interest during construction capitalized.

Proprietary and Fiduciary Fund Types - Fixed assets for these funds are stated at cost or, for donated assets, at fair market value at date of acquisition. Such assets are depreciated or amortized on a straight-line basis over the useful lives of the assets. Estimated useful lives are as follows:

Buildings	40-50 years
Improvements (large)	20-50 years
Improvements (small)	3-10 years
Equipment	3-12 years

Depreciation on fixed assets acquired with resources externally restricted for that purpose is closed to contributed capital after being recognized in operations.

Depreciation reported on the Statement of Cash Flows exceeds that reported on the Statement of Revenues, Expenses and Changes in Retained Earnings for the internal service funds because a portion of depreciation is included in the cost of goods sold.

General Long-Term Liabilities

All unmatured long-term indebtedness not reported in a proprietary or fiduciary fund is accounted for in the General Long-Term Obligation Account Group. Included among these liabilities are the noncurrent portions of liabilities resulting from debt issuances, compensated absences, workers compensation claims, grant programs, arbitrage rebate requirements and some unfunded pension liabilities (see Note 6).

Bond Discounts, Bond Premiums and Deferred Costs

In governmental fund types, bond discounts, premiums and issuance costs are recognized in the current period. In the proprietary funds they are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method, which approximates the effective interest method. The deferred costs reported are primarily for bond issuance costs of the enterprise funds.

Risk Management

The state is self-insured for most losses. Insurance coverage is prohibited by statute except for college and university property, farms repossessed under the Family Farm Security Loan Program, and workers' compensation coverage for Military Affairs. The state has established the Risk Management Fund (an internal service fund) to provide for casualty claims, primarily automobile liabilities, for state agencies. For catastrophic workers' compensation claims the state is a member of the Workers' Compensation Reinsurance Association which pays for compensation claims in excess of the retention amount, which is currently $430,000.

Budgeting and Budgetary Control

Minnesota operates on a two-year (biennial) budget cycle ending on June 30 of the odd-numbered years. Appropriations in the biennial budget are usually for a single year; however, where specified, single year appropriations are available for either year of the biennium. The Governor's budget for the biennium is developed by the Department of Finance and presented to the legislature for approval. Specific appropriations are required for all expenditures from the General Fund and all Special Revenue Funds except the Federal, Maximum Effort School Loan, Special Workers Compensation, Iron Range Resources and Rehabilitation and Miscellaneous Special Revenue Funds. Some appropriations are "open appropriations" for entitlement type, and some interfund transfer, programs. In these cases, whatever amount is needed to fulfill the obligation for the fiscal year is made available; i.e., there is no limit on the amount which can be expended for the program. Estimates of the amount needed for such programs are included in the budget forecast.

All expenditures in these appropriated funds are made pursuant to the appropriations in the biennial budget, as amended by subsequent legislative appropriation actions. Deficiency appropriations totaling $17,727,000 were required for fiscal year 1993. These were, primarily, $13,286,000 for cost overruns for human services systems and $3,000,000 for higher education grants.

Budgetary control is essentially maintained at the departmental level except for certain programs where control is at the program level. In most departments, upon notification of the Governor and legislative leadership, department heads are permitted to revise budgets transferring amounts between programs in their departments.

For most appropriations, unencumbered balances at fiscal year end cancel; for specified others, such balances may carry forward to the subsequent year. The budget and the Statewide Accounting System (SWAS) are maintained essentially on a cash basis with the exception that at year end, encumbered amounts are included in the expenditures of the year appropriated, for budgetary reporting. The SWAS controls expenditures by appropriation line item as established in the legally adopted appropriation bills. In no instance did expenditures exceed authorized limits at the legal level of budgetary control. A separate report showing the detail of legal level of control and actual expenditures is available from the Department of Finance.

Eliminations

We have incorporated eliminations into the report to exclude the significant double counting of assets and related income caused by the participation of certain fiduciary funds in the investment trust funds (also fiduciary funds). Defined Benefit Pension and Defined Contribution Funds (pension trust funds) and the Deferred Compensation Fund (an agency fund) invest part of their assets through the investment trust funds (also classified as pension trust funds).

Memorandum Only Totals Column

The totals columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Information in these columns does not present consolidated financial position, results of operations, or cash flows.

Comparative Data

Comparative totals for fiscal year 1992 are presented in the financial statements to provide an understanding of the changes in the state's financial position and operations. Disclosures relevant to the prior year are available in the state's fiscal year 1992 Comprehensive Annual Financial Report. Prior year totals were restated to reflect prior period adjustments (see Note 14).

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

Cash in most funds is held in the state treasury and is commingled in state bank accounts. The cash in individual funds may be invested separately, where permitted by statute. However, cash in most funds is invested as a part of an investment pool. A fund's investment with these cash pools is reported as a cash equivalent. Investment earnings of the pools are allocated to the individual funds where provided by statute; earnings for all other funds are credited to the General Fund.

The following table summarizes the state's cash and cash equivalents (including amounts reported as restricted assets) at June 30, 1993 (in thousands). Cash with the U.S. Treasury is available for the cash demands of the Unemployment Compensation Fund (expendable trust fund).

	Carrying Amount
Cash in Bank	$ 109,457
Cash on Hand and Imprest Cash	3,622
Cash with U.S. Treasury	202,720
Cash Equivalents:	
Cash Management Investment Pools	3,793,287
Other	469,428
Total Cash and Cash Equivalents	$4,578,514

Deposits

At June 30, 1993 the bank balance, for cash in bank was $112,880,845. This balance was fully covered by federal depository insurance or collateral held by the state's agent in the state's name (lowest risk category). Minnesota Statutes, Section 9.031, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. This statute further requires that such insurance and collateral shall be in amounts sufficient to ensure that the deposits do not exceed 90% of the sum of the insured amount and the market value of the collateral.

During fiscal year 1993, the combined insured amount and collateral fell short of the legal requirement by more than $10 million on at least 5 days.

Investments

Nearly all of the state's investing is managed by the Minnesota State Board of Investment (MSBI). Minnesota Statutes, Section 11A.24 broadly restricts investments to obligations and stocks of U.S. and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; restricted participation as a limited partner in venture capital, real estate, or resource equity investments; and, restricted participation in registered mutual funds. A more conservative restriction which applies to certain funds is that investments be limited to fixed income securities. The conservative restriction applies to all funds except the Permanent School Fund (a nonexpendable trust fund), the defined benefit pension funds, and the investment trust funds (the latter fund categories are included among the pension trust funds).

Investments at June 30, 1993
(in thousands)

Investment Type	Carrying Amount	Market Value
Repurchase Agreements	$ 1,068,322	$ 1,068,314
Commercial Paper	2,180,590	2,180,562
Short Term Financing Notes	568,127	568,154
U.S. and Other Government Obligations	3,988,843	4,196,357
Corporate Obligations	4,165,273	4,296,127
Corporate Stocks	8,805,603	9,566,952
Other Equity	939,994	1,027,187
Total Investments in Risk Category 1	$21,716,752	$22,903,653
Trustee Managed Pools (not categorized)	627,998	627,998
Total Investments	$22,344,750	$23,531,651

Funds not invested by MSBI are primarily enterprise type funds. Investments for these funds must also conform to the above statute and may be further restricted by bond indentures.

The investment table on the previous page shows the state's risk category 1 and other investments, including cash equivalents, at their carrying and market values. Risk category 1 includes securities which are insured or registered or are held by the state or its agent in the state's name. The state has no investments in risk category 2 (uninsured and unregistered securities held by the counterparty's trust department or agent in the state's name) or in risk category 3 (uninsured and unregistered securities held by the counterparty or by its trust department or agent but not in the state's name).

3. INTERFUND ACTIVITY

Interfund receivables and payables at June 30, 1993, including current portion of interfund advances, are summarized as follows (in thousands).

Fund	Receivables	Payables
General Fund	$50,752	$18,812
Special Revenue Funds:		
Trunk Highway	$ 5,226	$ 2,287
Highway User Tax Distribution	-	13,580
Federal	7,854	31,981
Natural Resources	4,542	-
Health Care Access	876	4,424
Miscellaneous Special Revenue	6,403	9,647
Total Special Revenue Funds	$24,901	$62,019
Capital Projects Funds:		
General Projects	$ -	$ 220
Building	-	1
Transportation	-	240
Total Capital Projects Funds	$ -	$ 461
Debt Service Fund	$ 395	$ -
Enterprise Funds:		
State Lottery	$ -	$ 6,811
Chemical Dependency Treatment	-	400
Total Enterprise Funds	$ -	$ 7,211
Internal Service Funds:		
Central Motor Pool	$ -	$ 397
Employee Insurance	-	944
Risk Management	-	16
Inter-Technologies	77	-
Total Internal Service Funds	$ 77	$ 1,357
Fiduciary Funds:		
Pension Trust Funds:		
Defined Benefit Pension Funds:		
Public Employees Retirement	$ 332	$ 7,365
Police and Fire	989	256
Police and Fire Consolidation	4	316
Teachers Retirement	-	10,257
State Employees Retirement	1,089	70
State Patrol Retirement	-	996
Correctional Employees Retirement	-	469
Judicial Retirement	-	605
Elective State Officers	323	2
Legislative Retirement	5,148	434
Defined Contribution Fund:		
Unclassified Employees Retirement	70	177
Investment Trust Fund:		
Minnesota Post-Retirement Investment	20,160	1,381
Nonexpendable Trust Funds:		
Permanent School	-	22,289
Environment and Natural Resources Trust	2,725	3,689
Expendable Trust Funds:		
Municipal State-Aid Street	2,176	-
County State-Aid Highway	7,265	-
Endowment School	18,399	-
Endowment	1	-
Environment and Natural Resources Trust	3,689	-
Agency Funds	-	329
Total Fiduciary Funds	$62,370	$48,635
Total All Funds	$138,495	$138,495

The noncurrent portion of interfund advances at June 30, 1993, are summarized as follows (in thousands):

	Advances To Other Funds	Advances From Other Funds
General Fund	$1,948	$ -
Special Revenue Funds:		
Health Care Access	525	-
Miscellaneous Special Revenue	-	311
Enterprise Funds		
Enterprise Activities	32	-
Internal Service Funds:		
State Printer	-	19
Central Motor Pool	-	1,588
Central Services	-	32
Fiduciary Funds		
Environmental Trust	-	30
Miscellaneous Agency	-	525
Total All Funds	$2,505	$2,505

Residual equity transfers-out exceed similar transfers-in by $345,000 because of differing reporting focuses for proprietary and governmental fund types. These residual equity transfers from governmental fund types are reported as part of the increase to contributed capital in the proprietary funds.

4. LOANS, NOTES AND FINANCING LEASES RECEIVABLE

Loans, notes, and financing leases receivable, net of allowances for possible losses, as of June 30, 1993, consisted of the following (in thousands):

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Fiduciary
Housing Finance	$ -	$ -	$ -	$1,557,108	$ -	$ -
Student Loan Programs	426	-	-	236,504	-	-
Higher Education Facilities	-	-	-	155,504	-	-
Economic Development	3,148	33,159	98	240,076	-	7,426
School Districts	-	81,666	-	-	-	-
Energy	-	-	19,942	-	-	-
Agricultural	8,829	11,145	-	-	-	-
Other	6,070	26,674	-	-	87	-
Total	$18,473	$152,644	$20,040	$2,189,192	$ 87	$ 7,426

Financing agreements for the Higher Education Facilities Authority (HEFA) include both loans and direct financing leases. Future payments listed below are sufficient to fund the related revenue bond principal and interest payments. The future minimum payments and net investment in financing agreements is as follows (in thousands):

Fiscal Year	Amount
1994	$20,645
1995	20,923
1996	19,818
1997	21,218
1998	20,782
Thereafter	260,339
Total Future Payments to be Received	$363,725
Less: Assets Held in Trust	(52,606)
Less: Unearned Income	(155,615)
Net Investment in Financing Agreements	$155,504

5. FIXED ASSETS

Summary of Changes in General Fixed Assets
(in thousands)

	Balances July 1, 1992	Additions	Deductions	Completed Construction	Adjustments	Balances June 30, 1993
Land	$ 228,964	$ 9,056	$ (357)	$ -	$ (163)	$ 238,214
Buildings	1,019,185	-	781	41,597	(154)	1,059,847
Equipment	271,261	37,120	14,031	-	8,630	302,980
Construction in Progress	141,000	59,635	(1,039)	(41,597)	(4,474)	155,603
Total	$1,660,410	$105,811	$13,416	$ -	$3,839	$1,756,644

Governmental fund capital outlay expenditures totaled $518,411,000 for fiscal year 1993. Of this amount, $413,829,000 was for infrastructure fixed assets which are not included in general fixed assets. Donations of general fixed assets received during fiscal year 1993 are valued at $1,229,000. Other adjustments were primarily corrections of prior year balances.

General fixed assets purchased with resources provided by outstanding capital lease agreements at June 30, 1993, consisted of equipment costing $44,505,000 and buildings costing $1,781,000.

Authorizations and commitments, as of June 30, 1993, for the largest construction in progress projects follows (in thousands):

	Educational Buildings	Regional Treatment Centers	Veterans Home	Correctional Facilities	Transportation Headquarters
Authorization	$84,510	$31,548	$7,457	$11,115	$5,065
Expended through June 30, 1993	45,707	2,937	6,876	939	4,956
Unexpended Commitment	25,317	7,752	529	7,920	50
Available Authorization	$13,486	$20,859	$ 52	$ 2,256	$ 59

Commitments are reserved in the fund balance for either encumbrances or long-term commitments.

Proprietary and fiduciary fund type fixed assets consisted of the following as of June 30, 1993 (in thousands):

	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Combined Totals
Land	$ 3	$ -	$15,426	$ 15,429
Buildings	91,171	-	-	91,171
Land and Building Improvements	32,469	2,211	-	34,680
Equipment	23,471	81,332	1,674	106,477
Total	$147,114	$83,543	$17,100	$247,757
Less: Accumulated Depreciation	73,498	60,317	1,010	134,825
Net Total	$ 73,616	$23,226	$16,090	$112,932

Land in the Permanent School Fund (a nonexpendable trust fund) totaling 2,512,850 acres was donated by the federal government and is valued at the estimated fair market value at the time of donation.

6. GENERAL LONG-TERM OBLIGATIONS

A summary of general long-term obligations at June 30, 1993, and the changes during fiscal year 1993 is as follows (in thousands):

	July 1, 1992 Balances	Increases	Decreases	June 30, 1993 Balances
Liabilities For:				
General Obligation Bonds	$1,630,105	$ 721,335	$ 644,555	$1,706,885
Revenue Bonds	46,790	-	7,440	39,350
Loans	71,130	4,828	33,740	42,218
Claims	56,964	13,129	15,990	54,103
Grants	395,453	395,126	395,453	395,126
Compensated Absences	144,696	9,531	-	154,227
Workers Compensation	99,861	23,386	14,286	108,961
Capital Leases	28,358	8,286	9,069	27,575
Pension Liabilities	883	229	548	564
Other Liabilities	7,045	252	1,906	5,391
Totals	$2,481,285	$1,176,102	$1,122,987	$2,534,400

The resources to repay the various general long-term obligations have been or will be provided from the fund types as follows (in thousands):

	General Fund	Special Revenue Funds	Total
Liabilities For:			
General Obligation Bonds	$1,558,307	$148,578	$1,706,885
Revenue Bonds	-	39,350	39,350
Loans	-	42,218	42,218
Claims		54,103	54,103
Grants	395,126	-	395,126
Compensated Absences	90,323	63,904	154,227
Workers Compensation	92,701	16,260	108,961
Capital Leases	11,766	15,809	27,575
Pension Liabilities	564	-	564
Other Liabilities	5,391	-	5,391
Totals	$2,154,178	$380,222	$2,534,400

Principal and interest payment schedules are provided in the following table (in thousands) for general obligation bonds, revenue bonds, loans, capital leases and arbitrage. The liability for grants was liquidated in October, 1993. There are no payment schedules for claims, compensated absences, workers compensation or pension liabilities.

Fiscal Year (s)	General Obligation Bonds	Revenue Bonds	Loans	Capital Leases	Arbitrage	Totals
1994	$ 257,669	$ 6,877	$ 5,531	$10,883	$2,522	$ 283,482
1995	254,984	5,614	5,241	10,062	2,526	278,427
1996	235,872	5,522	5,241	6,161	27	252,823
1997	212,382	5,523	5,241	2,854	27	226,027
1998	198,519	5,356	5,241	320	173	209,609
Thereafter	1,319,097	41,917	15,723	942	116	1,377,795
Total Payments	$2,478,523	$70,809	$42,218	$31,222	$5,391	$2,628,163
Interest	771,638	31,459	-	3,647	-	806,744
Total Principal	$1,706,885	$39,350	$42,218	$27,575	$5,391	$1,821,419

Minnesota Statutes, Section 16A.641 provides for an annual appropriation for transfer to the Debt Service Fund. The amount of the appropriation is to be such that, when combined with the balance on hand in the Debt Service Fund on November 1 of each year for state bonds issued by January 1, 1985, and on December 1 of each year for state bonds issued after January 1, 1985, it will be sufficient to pay all general obligation bond principal and interest due and to become due through July 1 in the second ensuing year. If the amount appropriated is insufficient, when combined with the balance on hand in the Debt Service Fund, the State Constitution requires the State Auditor to levy a statewide property tax to cover the deficiency. No such property tax has been levied since 1969 when the law was enacted requiring the appropriation.

In fiscal year 1993 the Department of Finance made the necessary transfers (in thousands) to the Debt Service Fund as follows:

General Fund	$197,636
Special Revenue Funds:	
Natural Resources Funds	50
Trunk Highway Fund	15,797
Maximum Effort School Loan Fund	3,967
Miscellaneous Special Revenue Fund	2,133
Capital Projects Fund (Building Fund)	7,915
Total Operating Transfers to Debt Service Fund	$227,498

The amount shown in the Debt Service Fund as reserved for debt requirements differs from that shown in the General Long-Term Obligation Account Group as Amount Available in Debt Service Fund because the Debt Service Fund amount includes amounts for both principal and interest on general obligation bonds while the General Long-Term Obligation Account Group includes only the amount for bond principal.

One issue of general obligation bonds is recorded as the liability of an enterprise fund, the State University Board Revenue Fund, because the earnings of the fund are pledged for repayment of these bonds. This fund makes debt service transfers to the Debt Service Fund, fulfilling the legal requirements for general obligation debt service. Debt service transfers and the earnings on them are reported as restricted assets in the enterprise fund and as funds held in trust in the Debt Service Fund. The Debt Service Fund makes the payments for these bonds. The General Fund remains secondarily liable for these bonds.

General Obligation Bond Issues

During fiscal year 1993 a total of $185,975,000 in General Obligation Bonds were issued and $140,885,000 in general obligation bond principal was repaid. On July 1, 1992, $135,975,000 and on April 1, 1993, $50,000,000 general obligation bonds were issued at a true interest rate of 5.94 and 5.23 percent respectively.

Advance Refunding

On August 1, 1992, $243,100,000 and on May 1, 1993, $292,260,000 general obligation refunding bonds with an average true interest rate of 5.33 and 5.27 percent respectively were

issued to advance refund $230,480,000 and $273,190,000 respectively of the following outstanding bond Series with the following average interest rates.

Series	Interest Rates
1979	5.61
1980	6.42
1985	7.90
1986	7.12
1987	7.10
1988	6.93
1988	7.10
1989	6.66
1990	6.93

The entire proceeds of $529,879,000 (net of $5,481,000 in discounts, accrued interest, underwriting fees and issuance costs) plus an additional $14,253,000 of debt service monies have been placed in special escrow accounts and invested in government securities. These investments have been certified to be sufficient to pay all principal and interest on the bonds when due. Accordingly, the original refunded bonds have been eliminated, and the new advance refunding bonds added to the General Long-Term Obligation Account Group. The state remains contingently liable to pay the refunded bonds. The balance outstanding for all the extinguished debt at June 30, 1993 was $740,970,000 consisting of the following (in thousands).

Outstanding Defeased Debt

Refunding Date	Refunding Amount	Refunded Amount	Outstanding Amount	Final Maturity Date
August 1, 1986	$236,500	$227,800	$114,800	July 2, 1994
March 6, 1988	182,500	165,450	161,000	August 1, 1995
August 1, 1992	243,100	230,480	191,980	August 1, 1998
May 1, 1993	292,260	273,190	273,190	August 1, 2000
Total	$954,360	$896,920	$740,970	

The most recent funding transactions will save the state aggregate debt service payments of approximately $29.4 million and will result in an economic gain or present value savings of approximately $22.8 million over the live of the refunded bonds.

The one issue of general obligation bonds recorded as a liability of the State University Board Revenue Fund (an enterprise fund), discussed above, was refunded. On July 1, 1992, $4,025,000, general obligation refunding bonds with a true interest rate of 5.94 percent were issued to advance refund $4,025,000 of outstanding bonds, resulting in no gain or loss.

A schedule of general obligation bonds authorized but unissued and bonds outstanding at June 30, 1993, is provided in the table below (in thousands):

Purpose	Authorized But Unissued	Amount Outstanding	Interest Rates Range - %
State Building	$370,010	$ 663,388	3.75 - 9.63
State Transportation	40,100	33,237	4.69 - 9.31
Waste Management	7,090	14,154	5.00 - 8.66
Water Pollution Control	2,767	58,251	4.58 - 8.66
Maximum Effort School Loan	32,320	90,907	5.00 - 8.40
Municipal Aid	4,330	-	
Reinvest in Minnesota	17,400	25,434	5.00 - 7.20
Rural Finance Administration	36,625	12,545	5.00 - 8.95
Natural Resources	-	4,000	5.10
Parks and Recreation	-	13,500	4.72
Zoological Garden	-	3,200	4.99 - 5.70
Vietnam Veterans Bonus	-	3,000	4.48 - 4.98
Refunding Bonds	-	714,839	5.00 - 8.41
Exchange Bonds	-	6,289	.05
School Energy Building	5,950	6,470	5.00 - 9.31
Game and Fish Building	-	486	7.96 - 8.66
Trunk Highway	-	87,185	3.75 - 9.31
Airport Facilities	175,000	-	
	$691,592	$1,706,885	

Revenue Bonds Payable

Revenue bonds payable totaling $39,350,000 reported in the General Long-Term Obligation Account Group are obligations of the Agricultural and Economic Development Board (AEDB). Minnesota Statutes Section 41A.022 authorized the issuance of revenue bonds by the AEDB to promote economic development by providing loans to businesses in Minnesota. These bonds are to be repaid from loan repayments and interest earnings of the AEDB and are not a general obligation of the state.

The activities of this board were transferred to the Miscellaneous Special Revenue Fund by the 1989 Legislature. A reservation of fund balance for debt requirements, totaling $23,750,000, is provided for these bonds.

Loans

Loans payable are the result of loans from local governments to the state for preliminary financing of highway construction projects. This financing provides advance funding of the state and federal share of these projects. Loan repayment, without interest, begins after completion of the related project.

Claims

Claims are for workers compensation claims for employees of uninsured and bankrupt firms. These claims are funded by an assessment on insurers and is payable from the Special Compensation Fund, a special revenue fund.

Grants

Various grant payments are based on data for one fiscal year but are paid from resources appropriated for the subsequent year. Where the payment is based on services or actions completed by the recipient as of June 30, 1993, we have determined that a long-term liability exists. Liabilities totaling $395,126,000 for such grants are recognized at June 30, 1993. This amount includes $386,929,000 in final payments for school aids for fiscal year 1993, payable in October, 1993. The remainder is for tuition reciprocity owed to surrounding states for the school year ended June 30, 1993, and for reimbursements to counties for property taxes lost as the state took over certain previously taxable property.

Compensated Absences

The liability for compensated absences for governmental funds totaling $154,227,000 is primarily for vacation leave and for vested sick leave which is payable as severance pay under specific conditions. Both amounts are paid only at the time of termination from state employment. This obligation will be liquidated using future resources at unspecified times.

Workers Compensation

The liability for workers compensation reported is based on claims filed for injuries, to state employees, occurring prior to June 30, 1993, and is an undiscounted estimate of future payments. The liability will be liquidated using future resources at unspecified times.

Leases

Capital leases payable are for those leases meeting the criteria in GASB Statement 1, Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide. See Note 7 for minimum future payments under operating leases.

Pension Liabilities

The pension liabilities of $564,000 represent the fiscal year 1993 funding deficit for the pension trust funds. This liability is the amount, for any fund, that the actuarially determined contribution requirement exceeds actual contributions made. See Note 15.

Other Liabilities

Other liabilities is the arbitrage rebate payable to the federal government of $5,391,000. It is the estimate of excess earnings on tax-exempt bond proceeds and debt service reserves as required under the Tax Reform Act of 1986 and U.S. Treasury regulations and penalties. Interest earnings on bond proceeds are used primarily for debt service payments. The arbitrage rebate will be paid through an appropriation from the general fund. There is no reservation of assets for this liability.

7. LEASE AGREEMENTS

Operating Leases

The state is committed under various leases primarily for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 1993, totaled $37,385,753. Future minimum lease payments for existing lease agreements are as follows (in thousands):

Year Ending	Amount
1994	$35,435
1995	31,472
1996	25,454
1997	24,372
1998	14,954
Thereafter	3,049
Total	$134,705

Capital Leases

The state has entered into several capital lease agreements to purchase equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The terms of each agreement provide options to purchase the equipment at any time during the lease period.

Governmental Funds - In the governmental funds, equipment purchased through capital lease agreements is included with the general fixed assets. The liability for these capital leases is included in general long-term obligations (see Note 6).

8. LONG-TERM OBLIGATIONS - PROPRIETARY FUNDS

Revenue Bonds

The agencies listed below (all are enterprise funds) have the authority to issue, and have issued, bonds which are not general obligations of the state but are payable solely from rentals, revenues and other income, charges and monies as were pledged for repayment. Premiums and discounts on revenue bonds are amortized using the interest method over the life of the bonds to which they relate.

The Housing Finance Agency (HFA) is authorized by Minnesota Statutes Section 462A.08-.14 to issue its bonds and notes for the purpose of providing funds for rehabilitation loans, construction loans and mortgage loans to sponsors of residential housing for families of low and moderate income, or refunding bonds. The amount of such bonds outstanding at any time shall not exceed $2,400,000,000. During fiscal year 1993, the HFA called $100 million in bonds prior to their scheduled maturities, resulting in an extraordinary loss of $2,625,000. Payments were made from excess revenues.

The Higher Education Facilities Authority (HEFA) is authorized by Minnesota Statutes Sections 136A.32-.34 to issue revenue bonds to finance the acquisition, construction and remodeling of college buildings and structures to be used for private nonsectarian educational purposes, and to refinance facilities of this type. The amount of such bonds outstanding at any time may not exceed $350,000,000. Each issue is payable solely from and secured by a first lien on the revenues of the project financed, reserve funds and the guarantee of the institution for which the project is financed.

The State University Board (SUB) is authorized by Minnesota Statutes Section 136.41 to issue revenue bonds in the principal amount of $104,800,000 to finance the acquisition, construction and remodeling of college buildings for residence hall, student union and food service purposes. During fiscal year 1993, the SUB called $15,080,000 in bonds prior to their scheduled maturities, resulting in an extraordinary loss of $2,899,000.

The Higher Education Coordinating Board (HECB) is authorized by Minnesota Statutes Sections 136A.171-.175 to issue revenue bonds and notes to finance guaranteed loans for students attending eligible post-secondary educational institutions. The amount of such bonds outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, may not exceed $550,000,000.

The Public Facilities Authority (PFA) is authorized by Minnesota Statutes Sections 446A.08 and 446A.12 to issue revenue bonds for the purpose of making loans to municipalities for wastewater treatment facilities. The amount of such bonds outstanding at any time shall not exceed $345,000,000.

The Minnesota Community College System (MCCS), which is included in the College and Universities Enterprise Activities, financed the construction of a dormitory through the Higher Education Facilities Authority (HEFA). The debt is repaid from housing fees paid by the students and is not a general obligation of the state. Accordingly, the debt has been removed from the HEFA statements and is reported by the MCCS in the College and University Enterprise Activities.

General Obligation Bonds

General obligation bonds have been issued for the State University Board (SUB) Revenue Fund (an enterprise fund). The liability for these bonds is reported in that fund. The earnings of the fund are pledged for repayment of the general obligation bonds and any revenue bonds sold for the same purpose. At June 30, 1993, the total of general obligation bonds outstanding in the State University Board Revenue Fund was $4,025,000.

Master Lease Debt

On June 30, 1993, there was $26,412,000 of master lease debt payable from various internal service funds (ISF). Under the master lease program, certificates of participation and loan proceeds are used to purchase equipment resulting in lower financing costs. This debt is not a general or moral obligation of the state but is payable from lease payments.

To avoid overstating the liability for the master lease program, the debt is reported in the fund purchasing the equipment; any remaining liability is reported in the Master Lease Fund, an internal service fund. Liabilities for equipment purchased by the internal service funds are included in revenue bonds payable and loans payable.

On June 30, 1993, the master lease liability is as follows (in thousands):

Master Lease Fund	$ 225
Other Internal Service Funds	26,187
Total	$26,412

Bond Defeasances

For proprietary fund debt that was defeased in prior years through in-substance defeasances, the outstanding defeased amount as of June 30, 1993, is as follows (in thousands):

HFA	$3,498
HEFA	$11,365
SUB	$34,570

These agencies remain contingently liable to pay this defeased debt.

Bond Refundings of the Higher Education Facilities Authority

During fiscal year 1993, $10,600,000 of outstanding revenue bonds were defeased in-substance using the proceeds of new revenue bond issues. At the same time as debt was restructured the long-term receivables from the client educational institutions were similarly restructured, resulting in no gain or loss to the HEFA fund.

Long Term Debt Repayment Schedule
Proprietary Funds - June 30, 1993
(in thousands)

	Revenue Bonds						General Obligation Bonds	Master Lease Debt
Fiscal Year(s)	HFA	HEFA	SUB	HECB	PFA	MCCS	SUB	ISF
1994	$ 184,900	$ 20,645	$ 2,300	$ 6,330	$ 38,626	$ 144	$1,005	$12,582
1995	176,381	20,923	2,219	7,244	22,029	141	961	9,395
1996	173,071	19,818	2,685	7,137	21,832	141	916	4,487
1997	172,086	21,218	2,674	8,030	22,706	142	872	2,482
1998	167,411	20,782	2,700	7,901	23,663	142	828	23
Thereafter	3,172,467	260,339	58,886	91,262	319,380	1,338	-	-
	$4,046,316	$363,725	$71,464	$127,904	$448,236	$2,048	$4,582	$28,969
Unamortized (Discount)/Premium	-	(2,026)	-	(136)	(139)	-	-	-
Interest	(2,214,625)	(155,616)	(38,969)	(46,204)	(171,256)	(898)	(557)	(2,557)
Accretion	-	-	-	-	(18,627)	-	-	-
Bond Principal	$1,831,691	$206,083	$32,495	$81,564	$258,214	$1,150	$4,025	$26,412

9. LONG-TERM COMMITMENTS

Long-term commitments consist of grant agreements, construction and other contracts. These commitments will be partially funded by current reserves for long-term commitments with the remaining resources provided by future bond proceeds, mining tax revenues and federal grants. Long-term commitments as of June 30, 1993, were as follows (in thousands):

Special Revenue Funds:	
Trunk Highway Fund	$209,129
Environmental	357
Iron Range Resources and Rehabilitation Fund	1,939
Capital Projects Funds:	
General Project Fund	1,518
Reinvest in Minnesota Fund	1,589
Transportation Fund	4,092
Building Fund	226,798
Total	$445,422

10. CONTINGENT LIABILITIES - LITIGATION

Payment of tort claims against the State is made from funds appropriated by the Minnesota Legislature to agencies for their general operations to the extent such funds are available without unduly hindering the operation of the agency, from appropriations of dedicated receipts if practicable or from funds appropriated for the payment of tort claims for that purpose. The tort claims appropriations for the fiscal year ending June 30, 1991 appropriations were $919,000 and payments were $1,081,816.54; for the fiscal year ending June 30, 1992, appropriations were $903,000, and payments were $882,883.42; for the fiscal year ending June 30, 1993 appropriations were $903,000 and payments were $652,649. The maximum limits of liability for tort claims are $200,000 for any individual claim and $600,000 for any number of claims arising out of a single occurrence.

Lawsuits based on non-tort theories furnish another basis for potential liability. The following cases in which the State, its officers or employees, are defendants have been noted because an adverse decision could result in expenditures of State moneys in excess of current levels.

a. At any one time, there are hundreds of long-term care rate appeals pending with the Department of Human Services. In the aggregate, it is possible that the adverse impact of the appeals exceeds $5 million. Any liability comes from a combination of the federal and general funds and a lesser amount from local governmental units.

b. At any one time, there are hundreds of Department of Transportation eminent domain actions being litigated in district courts throughout the State. There is a continuous flow of such cases, with the actual number depending on many factors such as the number of parcels of land that can

be acquired by direct purchase, the construction needs of the Department and revenues available for highway projects. In the aggregate, the potential cost to the State for property which has been or will be acquired exceeds $5 million. Liability arising out of decisions unfavorable to the State may impact the State's trunk highway fund.

c. At any one time, there are claims and cases pending against various state agencies, including but not limited to, the Departments of Administration and Transportation and the State University System, and other potentially responsible parties for clean-up of hazardous and other contaminated waste sites under federal and state superfund and other environmental laws. In the aggregate, it is possible that the potential liability of the State for such claims may exceed $5 million because all parties are jointly and severally liable under federal and state superfund laws. Liability out of decisions unfavorable to the State may impact the trunk highway fund for claims against the Department of Transportation and the State's general fund for claims against other State agencies.

d. Alternative Minimum Tax (AMT) actions. Agrigenetics Corporation v. James and other actions. Ramsey County District Court. Plaintiffs challenge the constitutionality of the corporation alternative minimum tax enacted in 1987. Taxes collected under the challenged tax amounted to approximately $160 million for the 1987-1989 tax years. The contested tax was repealed by the 1990 Legislature. All actions, now exceeding 50, will be scheduled for trial in the Spring of 1994. Any liability would impact the State's general fund.

e. Association of Resources for the Retarded in Minnesota, Inc., et al. v. Wynia and Steffen, United States, District of Minnesota, District Court. Plaintiff, a trade association which represents providers of residential services for persons with mental retardation, has challenged the State's administration of the medical assistance reimbursement system, from which plaintiffs' members derive nearly all of their revenue. The State and all but one of the plaintiffs have entered into a settlement which will cost the State approximately $2.5 million through the end of the fiscal year 1995. The portion of the litigation dealing with the constitutionality of the medical assistance reimbursement system relating to wages has not been settled, and is still ongoing. The potential loss to the State as a result of this one remaining issue exceeds $5 million, and may impact the State's general fund.

f. Fleury v. Minnesota Gambling Control Board, Ramsey County District Court. This case challenges the constitutionality of the charitable gambling statutes in the State of Minnesota. If the challenge is successful, charitable gambling could not be conducted and thus no state revenues would be generated by charitable gambling-related taxes. In calendar year 1992, a total of about $56 million was collected by the State in charitable gambling-related taxes. A hearing on the State's motion to dismiss the case for lack of standing took place on October 29, 1993. The Court took the motion under advisement.

g. General Motors Corporation v. McClung and General Motors Acceptance Corporation v. McClung, Ramsey County District Court. These companion cases seek substantial tax refunds, potentially exceeding $10 million, as well as injunctive and declaratory relief, for various tax periods from 1974 through 1981. Plaintiffs allege among other things that: (1) dividend income from certain domestic and foreign subsidiaries was not apportionable income; (2) interest income on U.S. Government obligations was exempt and not apportionable; (3) certain long term and short term capital gains were not apportionable; (4) all of plaintiffs' gross receipts were includable in the sales factor of the apportionment formula; (5) plaintiffs were not subject to income tax in relation to some assessments; and (6) penalties were improperly assessed. If sustained, plaintiffs' refund claims would impact the State's general fund.

h. City of Golden Valley, et al. v. Commissioner. This is a Tax Court appeal and is a test case involving sales tax refund claims by twenty-five (25) municipalities. The sales taxes were paid by construction contractors on their purchases of building and construction materials used in performing contracts for the municipalities. Potential refunds exceed $5 million, and any liability would have an impact on the State's general fund. On September 21, 1993, the Minnesota Tax Court affirmed the Commissioner's Order denying the cities' refund claims and finding that the contractors' purchases of construction materials were not exempt. Plaintiff has filed an appeal to the Minnesota Supreme Court. It is anticipated that the Minnesota Supreme Court will decide the case during the first half of 1994.

i. Kennedy v. Carlson, Hennepin County District Court. This litigation was initiated by the Chief Hennepin County Public Defender wherein he is seeking a declaratory judgment and injunctive relief on the grounds that his office is inadequately funded, which results in the violation of the rights of client to the effective assistance of counsel. Plaintiff seeks an order requiring "the appropriate governmental entity" to procure and provide "appropriate" additional funding for his

office. The State has decided not to pursue a motion to dismiss. The amount of relief requested is not indicated in the complaint. However, based on plaintiff's most recent budget request to the State Board of Public Defense, the additional funding requested could exceed $5 million per year. Any liability may adversely affect the State's general fund.

j. C.S. McCrossan v. Rehder-Wenzel, et al., Hennepin County District Court. This litigation involves the April, 1990 collapse of the Lake Street Bridge connecting Saint Paul and Minneapolis. The State has been brought into this litigation as a third-party defendant. Damage claims exceed $8 million, and the State is exposed to a potential loss of over $5 million. The litigation has been stayed pending appeals of motions for summary judgment. No trial date has been set. Any judgment rendered against the State may adversely affect the State's general fund.

k. McMaster et al. v. State of Minnesota et al., United States District Court, District of Minnesota. This lawsuit involves the issue of whether or not prisoners in State Prisons are to be considered as employees under the unfair labor practices act, and therefore entitled to be paid minimum wages. The amount of potential recovery is in excess of $10 million. The District Court granted the State's motion for summary judgment on the grounds that the complaint failed to state a claim for which relief could be granted. Plaintiff has appealed the dismissal to the Eighth Circuit Court of Appeals.

l. Tax refund actions based on Memphis Bank v. Garner, 103 S. Ct. 692 (1983) have been filed by most Minnesota Banks in district courts throughout the state. In Memphis Bank, the Court held unconstitutional a Tennessee tax law which included interest on federal obligations in the computation of net income, which is the measure of the tax, but exempted interest on all obligations of state and political subdivisions. These plaintiff taxpayers contend that the Minnesota bank excise tax is likewise unconstitutional because Minnesota excludes interest on certain obligations of the state and its political subdivisions from the computation of the tax while including interest on federal obligations. The taxes and interest in suit are estimated to be in excess of $188 million for the tax years at issue, 1979-1983. In July, 1990, the Minnesota Supreme Court reversed in part and affirmed in part ruling by the Ramsey District Court that the bank tax was an income tax; that, if a franchise tax, it was discriminatory; and ordering refunds. Affirmed was the district court's finding that the tax was discriminatory. Reversed was the district court's finding that the tax was an income tax and its finding that the plaintiffs were entitled to refunds. In October, 1990, the plaintiffs filed a petition for certiorari in the U.S. Supreme Court requesting review of the Minnesota Supreme Court's holding that no refunds should be paid. The State opposed the petition. On June 28,1991, the U.S. Supreme Court vacated the decision of the Minnesota Supreme Court in Cambridge State Bank v. Roemer (the refund test case) and remanded the case for further consideration in light of the decision in James B. Beam Distilling Co. v. Georgia, 11 S. Ct. 2439 (1991). The Minnesota Supreme Court issued its decision on February 4, 1992, reaffirming its earlier decision that plaintiffs were not entitled to refunds. A petition for further review by the United States Supreme Court was filed. On June 28, 1993, the United States Supreme Court again vacated and remanded the case of Cambridge State Bank v. Roemer (this is the refund test case; there are multiple plaintiffs in this case, and the Minnesota Supreme Court has used one of the other plaintiffs in its caption and has designated this case as Norwest Bank Duluth, N.A. v. Minnesota Commissioner of Revenue) to the Minnesota Supreme Court for reconsideration in light of Harper v. Virginia (S.Ct. Dkt. 91-794), a tax refund case decided June 18, 1993. Following remand of the test case by the United States Supreme Court, the Minnesota Supreme Court ordered the parties to file additional briefs on the effect of Harper v. Virginia on this case. Briefs were filed in September, 1993. No oral argument has been scheduled. A further decision of the Minnesota Supreme Court is anticipated in late 1993 or early 1994, with a subsequent petition for further review by the United States Supreme Court possible. Based upon the decisions of the Minnesota Supreme Court and the United States Supreme Court, it is unclear at the present time, what liability, if any, the State may incur.

m. Robert E. Meunier, et al. v. Minnesota Department of Revenue, et al., Hennepin County District Court. On May 17, 1992, a decision of the Hennepin County District Court was issued holding that plaintiffs, who are retired federal employees, are entitled to refunds of that portion of income tax paid on income traceable to interest on United States obligations. The Supreme Court agreed to hear the State's appeal directly, bypassing the Court of Appeals. The Minnesota Supreme Court reversed the District Court ruling that Minnesota is not required to characterize annuity payments to retired federal employees as pass-through distributions of tax-exempt interest. The plaintiffs have filed a petition for review by the United States Supreme Court.

n. Mille Lacs Band of Chippewa v. State of Minnesota, United States District Court, District of Minnesota. This is a lawsuit seeking declaratory and injunctive relief, alleging that the State of Minnesota's enforcement of State game and fish laws in a large ceded territory in central

Minnesota unlawfully infringes on hunting, fishing, and gathering rights guaranteed to the Mille Lacs Band by an 1837 treaty with the federal government. Although the Band is not seeking damages, the attorney fee exposure to the State should the Band prevail in litigation could exceed $5 million.

o. Northwestern Bell Telephone Co. v. James, Ramsey County District Court. Plaintiff seeks refunds of approximately $6.4 million in telephone gross earnings taxes. Plaintiff contends that customer access charges are gross earnings from businesses originating or terminating outside of Minnesota which should be excluded from gross earnings in computing its tax. A legislative change in 1989 may have made the case moot. Any liability may adversely impact the State's general fund.

p. Pine County, et al. v. State of Minnesota, et al., Pine County District Court. Plaintiffs are challenging the repeal of certain statutes which gave them a share of the income from certain tax-forfeited lands of which they had transferred their interest to the State, allegedly in reliance on promises made by the State. The plaintiffs seek to have the lands returned to the plaintiffs which they assert are valued at approximately $43 million, or in the alternative damages in excess of $50,000. Plaintiffs also seek an additional $1.5 million because that amount was allegedly wrongfully deducted from other state aid which they received. The District Court has granted the State's motion to dismiss the case on the grounds that the plaintiffs lacked standing to bring and maintain the lawsuit. The Court also granted the State's alternative motion to dismiss the case on the grounds that the plaintiffs have failed to state a claim upon which relief can be granted. The plaintiffs have filed an appeal in the Minnesota Court of Appeals. Any monetary liability would impact the State's general fund.

q. Portland Residence, Inc. et al. v. Steffan, United States District Court, District of Minnesota. Plaintiffs, the corporate owner of an ICF/MR facility, the corporation's sole shareholder, and a resident of the facility, seek declaratory judgment that the commissioner of Human Services is violating federal law (the "Boren Amendment") and the Fifth and Fourteenth Amendments of the United States Constitution by paying inadequate medical assistance reimbursement. Plaintiffs have filed an amended complaint and moved for temporary injunctive relief. Plaintiff's motion for temporary injunctive relief was denied. The State prevailed on its motion for summary judgment. An appeal to the Eighth Circuit Court of Appeals is possible. Any liability resulting from a decision against the State on the Boren Amendment issue may adversely affect the State's general fund.

r. State of Minnesota by Nina Archabal, Director of the Minnesota Historical Society v. County of Hennepin, Hennepin County District Court. This litigation involved the sale of the Minneapolis armory. The Minnesota Department of Military Affairs sold the Minneapolis armory to Hennepin County for $4.7 million. The County purchased the armory with the intent to destroy it and construct a county jail on the site. Before the purchase occurred, the Minnesota Historical Society notified Hennepin County that the armory was protected as an historical resource under the Minnesota Environmental Rights Act ("MERA"), and that the Society would oppose its destruction. Hennepin County consummated the sale. The Historical Society sued Hennepin County to enjoin any proposed destruction. Hennepin County moved to file a third-party complaint against the State, asserting that if it is not allowed to destroy the armory, then the State should be required to pay to it the fair market value of the armory. The district court denied Hennepin County's motion. Following a trial, the court held that demolition of the armory would not violate MERA. An appeal to the Minnesota Supreme Court was taken, and the Supreme Court reversed the District Court, ruling that the armory could not be demolished. Although this litigation has been concluded because of the dismissal without prejudice of Hennepin County's third-party complaint, Hennepin County could again initiate litigation against the State, seeking recision of sale of the armory. The amount involved could exceed $5 million and may adversely affect the State's general fund.

s. Joseph and Alice Strupp v. State of Minnesota, Ramsey County District Court. Plaintiffs claim a regulatory taking of their real property located in Winona County because the Commissioner of Natural Resources denied a permit to the plaintiffs to fill portions of their property for future development. The amount sought is $8 million. The case is not yet scheduled for trial. Any liability arising from a decision against the State may adversely impact the State's general fund.

11. CONTINGENT LIABILITIES - OTHER

Municipal Debt Service

Under Minnesota Statutes Section 475A.03, Municipal Debt Service Aid Law, the state is contingently liable as guarantor for outstanding bond principal and scheduled interest payments, which on June 30, 1993, totaled $4,527,000. Statutes provide for defaults to be covered first by guarantee fees accumulated in the Miscellaneous Agency Fund (a fiduciary fund) until depleted, then funded from the General Fund, with subsequent reimbursement from the sale of state general obligation bonds.

Family Farm Security Loans

Under Minnesota Statutes Sections 41.52 and 41.56 concerning the Family Farm Security Loan Program, the state is contingently liable for 90 percent of the balance of the outstanding loans and 100 percent of certain restructured loans. As of June 30, 1993, the amount of outstanding loans was $14,376,000. The amount of the state's guarantee was approximately 90 percent of the sum of the outstanding loans. All loans are secured by mortgages on real property. In the event of default, proceeds from the sale of foreclosed property are applied to debt service prior to reducing any outstanding loan balances of the Miscellaneous Special Revenue Fund. General obligation bonds totaling $20 million provided additional resources for financing guarantee payments of this program. On June 30, 1993, the state owned 354 acres of repossessed farmland, held for resale, which is reported as inventory in the Miscellaneous Special Revenue Fund.

Pension Trust Funds

In addition to the pension trust funds included in the reporting entity (see Note 15), there are other public employee pension funds for whose unfunded liability the state may be contingently liable. These are pension trust funds where the state is funding a portion of the unfunded liability. The pension trust funds involved, the year end for which the most current data is available and the unfunded liabilities are provided below (in thousands):

Minneapolis Employee Retirement Fund	June 30, 1992	$291,327
Local Police and Fire Funds	December 31, 1992	$201,908

Pension trust funds for which the state has custodial responsibility, but for which the state is not contingently liable, include the Public Employees Retirement, Police and Fire, and the Police and Fire Consolidation Funds. The unfunded liabilities and net assets available at June 30 for funding of these pension funds are provided in Note 15.

All of the above unfunded liabilities were computed using the entry age normal actuarial cost (level normal cost) method. Assumptions include 6 and 5 percent interest rates, and 4 and 3.5 percent annual salary growth rates for the Minneapolis Employee Retirement Fund and the Local Police and Fire Funds, respectively. Additional annual contributions are provided to reduce the current unfunded liabilities. It has been the intent of the legislature, in establishing contribution rates, to provide sufficient resources to retire, or fully fund, the liabilities for the Local Police and Fire Funds by June 30, 2009 and by June 30, 2020 for the Minneapolis Employees Retirement Fund.

Petroleum Tank Environmental Cleanup

The petroleum tank release cleanup act (MS 115C) requires the state to reimburse owners for most of their costs to clean up contamination from leaks and spills from petroleum tanks. The payments will be from the Petroleum Tank Cleanup Fund (Petrofund), a special revenue fund. It is certain that a significant number of unreported tank contamination sites and cleanup costs presently exist which will require Petrofund expenditures. As of June 30, 1993, liabilities of $138 million have been recognized by the Petrofund. Various studies have estimated that the total of all payments for the program may reach $450-$800 million of cleanup costs (based on data available through July 1992).

12. NORTHWEST AIRLINES MAINTENANCE FACILITIES

The 1991 Minnesota Legislature authorized the Commissioner of Finance to issue up to $350 million of State revenue bonds, including up to $250 million for the construction of an aircraft

maintenance facility and up to $100 million for the construction of an engine repair facility. The Commissioner may loan the proceeds of the revenue bonds, make other loans, or enter into lease or other financing agreements for these projects. In case of a default, the Commissioner is authorized to pledge to issue up to $175 million of State general obligation bonds to provide security for the revenue bonds.

In March 1992 the State, the Metropolitan Airports Commission, Northwest Airlines and several local government units signed documents which commit the State and/or its political subdivisions to build and finance the facilities. Northwest Airlines is committed to leasing both of these facilities for 30 years.

The State is committed to use its best efforts to issue bonds for these facilities pursuant to the Master Financing Agreement. However, it has become necessary to update the required due diligence assessment which was first completed March, 1992. This is because significant changes have occurred in the financial condition, prospects and business plans of Northwest Airlines, Inc.

The State intends to initiate this analysis following completion of negotiations between Northwest Airlines, Inc., its unions and its investors, and when Northwest Airlines, Inc. has clarified the nature of the facilities to be built.

13. EQUITY

Contributed Capital

Components of the changes in the contributed capital of the enterprise and internal service funds are as follows (in thousands):

Source	Enterprise Funds	Internal Service Funds	Total
Contributed Capital, July 1, 1992, as Reported	$140,013	$6,046	$146,059
Additions:			
General Fund Contributions	331	-	331
Federal Grants	35,328	-	35,328
Other Sources	8,316	-	8,316
Reductions:			
Depreciation on Fixed Assets Acquired with Contributed Capital	(362)	(1)	(363)
Contributed Capital, June 30, 1993	$183,626	$6,045	$189,671

Retained Earnings

Reserved Retained Earnings - Retained Earnings Reserved per Law of the enterprise funds consists of the following:

- $45,731,000 in the Minnesota Housing Finance Agency Funds', an enterprise fund, retained earnings is the unused portions of state appropriations provided for specific programs. These programs are primarily for interest rate reduction on housing mortgages and home improvement loans.

- $40,757,000 in the College and University Enterprise Activities Fund's retained earnings is the cumulative federal subsidy for the federal student loan program.

Deficit Retained Earnings - Historically, the Chemical Dependency Treatment Fund, an enterprise fund, has had deficit retained earnings because rates charged for services were insufficient to cover costs. The deficit retained earnings of $4,420,000 is not expected to be eliminated in the near future.

Fund Balances

Reserved Fund Balances - The reserved portion of the fund balances indicates that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use.

The Budgetary Reserve in the General Fund is an amount appropriated by the legislature for use only when it appears that probable receipts will be less than anticipated and that the amount

available for the remainder of the biennium will be less than needed for budgeted expenditures. In this circumstance, state law requires that the Commissioner of Finance, with the approval of the Governor and after consulting with legislative leadership, transfer amounts necessary from the reserve to the unreserved fund balance.

Reserved for Local Governments is the equity amount in three expendable trust funds required by the State Constitution to be paid to local governments. The funds are the Municipal State-Aid Street, County State-Aid Highway and Endowment School Funds. The payments to these local governments are for street and highway projects (to municipalities and counties) and to subsidize education in the local school districts.

Reserved for Other totaling $10,271,000 in the Special Revenue funds consists primarily of petroleum overcharge fines ($4,984,000 in the Federal Fund and $5,287,000 in the Miscellaneous Special Revenue Fund) allocated by the federal courts to be used for energy conservation programs.

Unreserved Fund Balances - The unreserved portion of the fund balances consists of designated fund balances indicating tentative managerial plans for future use of resources and undesignated fund balances indicating those unreserved financial resources available for appropriation. A portion of the undesignated fund balances in the Natural Resources Funds (special revenue) may be appropriated only for specific programs.

Designated for Fund Purposes consists of fund balances for nonappropriated funds to be used for the following purposes (in thousands):

Special Revenue Funds	
Education	$ 29,460
Economic Development	77,502
Health and Social Services	32,247
Transportation	5,502
Resource Management	6,345
Miscellaneous	20,733
Expendable Trust Funds	
Economic Development	$ 266,330
Resource Management	9,932
Miscellaneous	9,606

Deficit Fund Balances

- The Special Workers Compensation Fund (a special revenue fund) provides supplementary workers compensation benefits to workers whose injury or disability meets certain requirements. For the most part, payments from this fund are reimbursements to insurance companies for payments to eligible injured workers. Funding for these reimbursements comes from an assessment on insurers and self-insurers. The fund deficit, $15,215,000 at June 30, 1993, will be reduced through increases in the assessment rate.

- The Highway Users Tax Distribution Fund (a special revenue fund) deficit of $6,876,000 at June 30, 1993, was the result of accounting basis differences. Various interfund liabilities are accrued for reporting purposes, but actual transfers are made on the basis of cash available.

- The Petroleum Tank Cleanup Fund (a special revenue fund) deficit of $33,660,000 at June 30, 1993, was the result of the state being required by law to partially reimburse owners for the cost of cleaning up defective underground tanks. Funding for these reimbursements is provided from a fee charged to petroleum distributors.

14. PRIOR PERIOD ADJUSTMENTS AND REPORTING CHANGES

Petroleum Tank Cleanup Fund

Minnesota Statutes 115C.08 created a Petroleum Tank Cleanup Account within the Environmental Fund for the purpose of reimbursing responsible parties for most of their costs to cleanup environmental contamination from petroleum tanks. Funding is provided by a fee imposed on petroleum distributors. Because this program has specific funding, it is not legislatively

appropriated and it carries a significant fund liability, beginning in 1993 we have presented the account as the Petroleum Tank Cleanup special revenue fund (petrofund) to prevent distorting financial data for other programs within the Environmental Fund, a special revenue fund.

The June 30, 1992 fund balance reported within the Environmental fund was $890,482. We determined that there was an additional $13,778,014 liability at June 30, 1992 for reimbursable costs incurred by the petrofund. This is reported as a prior period adjustment in the petrofund (see Note 13, Deficit Fund Balances).

Memorandum totals of the prior year's statements have been restated to reflect this adjustment to provide a better comparison to the current year.

Other Changes in Reporting Entity

The Health Care Access Fund (HCAF), created by the 1992 Legislature, is a special revenue fund that receives taxes on health service providers and premiums. HCAF provides for programs which will help contain the costs of health care, make reforms in health insurance, and provide competitively priced insurance for people unable to obtain affordable coverage. HCAF is appropriated by the legislature and also required to adjust eligibility and/or resources to be able to cover claims incurred in the current year out of the current premiums. The budgetary statements, therefore, have a reserved fund balance for claims incurred but not reported at June 30, 1993.

In the internal services fund, the Telecommunications fund with a deficit retained earnings of $1,406,382 and contributed capital of $2,232,000, as of June 30, 1992, was merged during fiscal year 1993 into the Computer Services fund, renamed the Intertechnologies fund.

15. PENSION TRUST FUNDS

The state of Minnesota performs a fiduciary role for several pension trust funds. For some of these the state contributes, as an employer, and for others performs only a fiduciary role. These pension funds are categorized as either Defined Benefit, Defined Contribution, or Investment Trust Funds. All of the pension trust funds are reported on the accrual basis of accounting which means that employer and employee contribution revenues are recognized in the period in which the employee services are provided. Investments for the Defined Contribution and Investment Trust Funds are reported at market value. For the Defined Benefit Funds, short-term and equity investments are reported at cost with fixed income securities at amortized cost.

The contribution rates for all pension plans are set by statute. Actuarial valuations are performed annually for all of the defined benefit plans. The results of these valuations are not used to determine the annual contribution, but rather to determine if adjustments are needed in the defined benefit statutory rates to assure full funding by the target date.

Defined Benefit Pension Funds

Plan Descriptions

The defined benefit pension funds presented in the financial statements include various statewide public employee groups. The employee groups covered, eligibility and benefit provisions for each fund, as of July 1, 1993, are described below. Vesting occurs after three years for all but the Legislators and Elective State Officers Plans. Salary base used for calculating annuities in all cases is the average of the employee's salary for the high five successive years of service. Annuity formulas vary for "basic" members (those whose benefits are not coordinated with federal social security) and "coordinated" members (those whose benefits are offset due to social security participation).

Multiple employer, cost sharing plans:

The Public Employees Retirement Fund (PERF) covers employees of various governmental subdivisions including counties, cities, school districts and related organizations. There are two types of membership, basic and coordinated. Normal retirement age is 65. The annuity formula for each type of membership is the greater of: a step rate with a flat reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarially based reduction for early retirement. The applicable rates for basic members are 2 and 2.5 percent, and for coordinated, 1 and 1.5 percent. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

The Police and Fire Fund (P&FF) covers persons employed as police officers and firefighters by local governmental subdivisions who, prior to 1981, were not covered by a local relief association and all those hired since 1980. At age 55, with at least three years service, the employee is eligible for an unreduced annuity. The annuity is 2.65 percent for each year of service. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

The Teachers Retirement Fund (TRF) covers teachers, and other related professionals, employed by the school districts or by the state. Normal retirement is age 65. The annuity formula for each type of membership is the greater of: a step rate with a flat reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarially based reduction for early retirement. The applicable rates for basic members are 2 and 2.5 percent, and for coordinated, 1 and 1.5 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

The State Employees Retirement Fund (SERF) covers those employees of the state, University of Minnesota and certain other entities not covered by other pension funds. Normal retirement age is 65. The annuity formula is the greater of: a step rate with a flat rate reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarial reduction for early retirement. The applicable rates are 1 percent and 1.5 percent. The state, as an employer for some participants, is liable for a portion of any unfunded accrued liability of this fund.

Single employer (state of Minnesota) plans:

The State Patrol Retirement Fund (SPRF) covers state patrol officers, crime bureau officers, and various conservation officers who perform enforcement duties. Normal retirement age is 55. Annuity is based on 2.5 percent for each year of service.

The Correctional Employees Retirement Fund (CERF) covers state employees who have direct responsibility for inmates at Minnesota correctional facilities. Normal retirement age is 55. The annuity is based on 2.5 percent for each year of service not to exceed 75 percent of average salary.

The Judicial Retirement Fund (JRF) covers judges of the supreme court, district courts, county courts, probate courts and various court referees. Normal retirement age is 65; the annuity is 2.5 percent for each year of service (3 percent for each year after June 30, 1980).

The Elective State Officers Fund (ESOF) covers the state's constitutional officers. Vesting occurs after eight years; normal retirement age is 62. Annuities are 2.5 percent for each year of service.

Defined Benefit Pension Plans
Membership and Payroll

	Single Employer					Multiple Employers				
						State is an Employer		State is not an Employer		
	CERF	SPRF	JRF	ESOF	LRF	SERF	TRF	PERF	P&FF	PECF
Membership as of July 1, 1993:										
Statutory Authority Minnesota, Chapter	352	352B	490	352C	3A	352	354	353	353	353A
Retirees and beneficiaries currently receiving benefits	409	511	200	10	200	15,067	20,810	33,968	1,738	1,314
Terminated employees:										
Vested - not yet receiving benefits	225	18	6	4	137	3,839	4,030	5,402	215	18
Nonvested - entitled to refund	51	3			6	4,492	15,994	9,307	171	
Active employees										
Vested	1,175	726	194	3	111	37,899	49,137	80,302	5,597	689
Nonvested	443	55	73	3	89	10,931	16,131	34,630	1,188	45
Current year covered	$50,991	$35,326	$21,928	$373	$6,801	$1,412,267	$2,024,000	$2,421,000	$254,281	$32,678

The Legislative Retirement Fund (LRF) covers members of the state's House of Representatives and Senate. Six years are required for vesting; normal retirement age is 62. Annuity is 2.5 percent for each year of service.

Multiple employer, agent plan:

The Police and Fire Consolidation Fund (PFCF) covers police officers and firefighters belonging to a local relief association that elected to merge with the Public Employee Retirement Association (PERA). Local relief associations continue to merge with the PERA, continually increasing membership in the PFCF. Minimum age and other benefit provisions vary from one relief association to another. Participants have the option to elect benefit coverage of the P&FF (see above) or retain benefit coverage provided in under their relief association plan. The state is not responsible for the unfunded accrued liability of this fund but performs only in a fiduciary capacity.

Membership and payroll for the various plans are provided in the table above (dollars in thousands). The total payroll for the state for the year ended June 30, 1993, was $1,261,121,000. State payroll for employees covered by the SERF was $981,424,000 and for those covered by the TRF was $164,278,000.

Funding Status

The amounts shown (dollars in thousands) in the table below as the "pension benefit obligation" (PBO) are a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the funding status of the retirement plans on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers and retirement funds. This measure is independent of the actuarial funding method used to determine contributions to the retirement funds.

The single employer retirement plans the state participates in had a combined PBO of $488,495,000 and net assets available for benefits, at cost, of $434,494,000 ($456,819,000 market value).

At the end of each fiscal year, actuarial valuations are prepared by an independent actuary hired by the legislature to calculate the pension benefit obligation and to determine whether adjustments in the statutory contribution rates are necessary. The pension benefit obligation information in the schedule below is based on the actuarial valuations for the most current year available, July 1, 1993.

Defined Benefit Pension Plans' Funding Status

	Single Employer					Multiple Employers				
						State is an Employer		State is not an Employer		
	CERF	SPRF	JRF	ESOF	LRF	SERF	TRF	PERF	P&FF	PFCF
Actuarial Valuation Date	7/1/93	7/1/93	7/1/93	7/1/93	7/1/93	7/1/93	7/1/93	7/1/93	7/1/93	7/1/93
Pension Benefit Obligation:										
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$48,440	$117,805	$49,473	$1,611	$24,283	$1,149,575	$3,267,221	$2,540,063	$309,983	$273,301
Current employees:										
Accumulated employee contributions including allocated investment income	24,848	46,302	14,887	401	4,104	736,405	2,036,442	744,025	159,848	28,159
Employer-financed vested	36,858	61,591	14,608	429	5,549	998,315	2,015,446	1,632,463	342,108	131,915
Employer-financed nonvested	5,742	21,935	8,464	107	1,058	173,619	288,453	247,215	120,394	5,084
Total Pension Benefit Obligation	$115,888	$247,633	$87,432	$2,548	$34,994	$3,057,914	$7,607,562	$5,163,766	$932,333	$438,469
Net assets available for benefits, at cost	132,823	240,074	44,106	322	17,168	2,846,117	6,923,414	4,304,163	1,080,857	358,461
Unfunded (Assets in excess of) pension benefit obligation	($16,936)	$7,559	$43,326	$2,226	$17,826	$211,797	$684,148	$859,603	($158,524)	$80,008
Net assets available for benefits, at market value	$142,166	$252,907	$44,256	$322	$17,168	$3,024,499	$7,290,982	$4,515,052	$1,173,312	$354,560

Actuarial assumptions used in preparing actuarial information provided in the defined benefit tables were:

- Projected salary increases of 6.5 percent which includes increases for inflation and merit, but not separately distinguished.
- Pre-retirement investment return of 8.5 percent.
- Post-retirement investment return of 5 percent.

Changes in plan provisions

Several changes were made to annuity options and actuarial valuation methodology for the plans. These changes do not have a material effect on the pension benefit obligation or on the required employer and employee contributions as of June 30, 1993.

Contributions - Required and Made

Contributions made are based on rates set in statute. Except for the Elective State Officers Retirement and the Legislative Retirement Funds, all of the defined benefit pension funds are funded using level contribution rates which are intended to be sufficient to fully fund the accrued actuarial liabilities by the year 2020 (2010 for PFCF).

The Legislative Retirement Fund is terminally funded. At the time of retirement, members' contributions are supplemented by employer contributions from the General Fund, in an amount sufficient to provide the necessary resources for future annuity payments discounted at the assumed rate of returned of 5 percent for the Post Retirement Investment Fund. The Elective State Officers Fund operates on a pay-as-you-go basis. If the fund's resources are fully depleted, employer contributions, in an amount sufficient to pay current obligations, will be made from the General Fund. The actuarially determined contribution requirements, necessary to pay pension benefits when due were computed using the entry age normal cost (entry age actuarial cost) method. Actuarial assumptions used to calculate the required contribution are the same as those used to calculate the pension benefit obligation above.

The actuarially determined contribution requirements and contributions actually made, along with the funding surplus or deficit, are provided in the table below for all funds (dollars in thousands). The state's actuarially determined contribution requirement was 69.5 percent and 8.0 percent of the total required contributions for the State Employees Retirement and the Teachers Retirement Funds respectively.

Defined Benefit Pension Plans
Contributions Required and Made

	Single Employer					Multiple Employers				
						State is an Employer		State is not an Employer		
	CERF	SPRF	JRF	ESOF	LRF	SERF	TRF	PERF	P&FF	PFCF
Contributions Made:										
By Employee	$2,554	$3,040	$1,409	$45	$659	$59,133	94,709	$106,358	$20,406	$1,619
% of covered payroll	4.90%	8.50%	6.38%	9.00%	9.00%	3.99%	4.54%	4.38%	8.00%	8.00%
By Employer *	$3,217	$5,288	$6,278	$88	$2,283	$58,981	$168,071	$113,184	$30,434	$7,679
% of covered payroll	6.27%	14.88%	22.00%	N/A	N/A	4.12%	8.18%	4.72%	12.00%	12.00%
Total contributions made	$5,771	$8,328	$7,687	$133	$2,942	$118,114	$262,780	$219,542	$50,840	$9,298
Actuarial determined contribution requirements	$5,818	$7,867	$5,831	$135	$2,074	$116,794	$269,218	$240,890	$47,296	$9,298
% of covered payroll	11.41%	22.27%	26.59%	36.23%	30.49%	8.27%	13.13%	9.95%	18.60%	N/A
Funding surplus (deficit) **	($47)	$461	$1,856	($2)	$868	$1,320	($6,438)	($21,348)	$3,544	$ -

* Contributions include $88,000, $2,283,000 and $4,435,000 for employer lump sum paid contributions for ESOF, LRF and PFCF respectively.
** Funding deficit for which the state is liable (CERF, ESOR and 8% of the TRF deficit) has been included in the General Long-Term Obligation Account Group.

The 1992 Legislature decreased the retirement contributions for SERF prior to the start of fiscal year 1993. The law included a provision to increase rates if the actuarial valuation showed insufficient contributions. The July 1, 1992 valuation reported a .16 percent contribution deficiency. As a result, employee and employer contribution rates were increased to 4.07 and 4.20 percent respectively.

Trend Information

Trend information provides an indication of the progress made toward accumulating sufficient assets to pay benefits when due. Three year trend information is provided below for those retirement funds for which the state is the sole employer.

Employer contribution rates are authorized by state statutes. Ten year trend information, providing information about progress made in accumulating sufficient assets to pay benefits when due, is available for each retirement fund in the separately issued Comprehensive Annual Financial Reports for the Minnesota State Retirement System, Public Employees Retirement Association and the State Teachers Retirement Association.

Three Year Historical Trend Information
(Unaudited)

	CERF	SPRF	JRF	ESOF	LRF
Net assets available for benefits expressed as a percent of the pension benefit obligation:					
1993	115%	97%	50%	13%	49%
1992	113%	98%	47%	15%	47%
1991	109%	92%	45%	14%	49%
Unfunded (assets in excess of) pension benefit obligation expressed as a percent of annual covered payroll:					
1993	(33%)	21%	198%	597%	262%
1992	(29%)	14%	204%	515%	272%
1991	(21%)	53%	198%	435%	223%
Employer contributions expressed as a percent of annual covered payroll:					
1993	6%	15%	22%	24%	34%
1992	6%	15%	22%	28%	10%
1991	6%	15%	29%	11%	28%

Defined Contribution Funds

The Defined Contribution Funds presented in the financial statements include various statewide public employee retirement funds for which the benefits to be received are limited to an annuity which can be purchased with the combined contributions of both the employee and employer. Accordingly, there is no unfunded liability for these funds; therefore, there is no actuarial valuation of accrued benefit liability nor any actuarially required contribution.

Plan Descriptions

The Unclassified Employee Retirement Fund, authorized by Minnesota Statutes, Chapter 352D, covers only those state employees who are included either by statute or policy in the "unclassified service" of the state. Statutory contribution rates are four percent for employee and six percent for employer. Vesting occurs immediately and normal retirement age is 58. Annuity is based on age and value of participant's account. Participation and funding for the fiscal year ended June 30, 1993, were as follows (dollars in thousands):

Total employees covered	2,685
Annual payroll of covered employee	$66,841
Total employee contributions	$2,912
Contributions as percent of annual covered payroll	4%
Total employer contributions	$4,163
Contributions as percent of annual covered payroll	6%

The Community College (CC) and State University (SU) Supplemental Retirement Funds, authorized by Minnesota Statutes, Chapter 136.80 and Chapter 354B, covers unclassified teachers, librarian, administrators, and certain other community college and state university staff members who have been employed full-time for a minimum of two academic years. Participation is mandatory for qualified employees. These funds consist of an Individual Retirement Account Plan (IRAP) and a Supplemental Retirement Plan (SRP). For the CC's IRAP, both the employer and employee statutory contribution rate is 4.5 percent. The SU has two member groups participating in the IRAP, one for faculty and one for managerial employees. For the faculty, both the employer and employee statutory contribution rate is 4.5 percent, while for the managerial employees, the employer rate is six percent and the employee rate is four percent. For the SRP, the statutory contribution rate is five percent of salary between $6,000 and $33,000. Vesting occurs immediately and normal retirement is age 55. Participation and contributions for the year ended June 30, 1993, were as follows (dollars in thousands):

	Community College	State University
Total employees covered	2,859	3,738
Total employee contributions	$2,605	$6,118
Total employer contributions	$2,605	$6,172
Total annual payroll for covered employees	$53,088	$143,356
Contributions as percent of annual covered payroll	5%	4%

Investment Trust Funds

The Investment Trust Funds are administered by the State Board of Investment and serve only as an investment medium for various state, as well as locally administered, retirement funds and the Deferred Compensation Fund, an agency fund.

16. POST-RETIREMENT BENEFITS

For certain employees, post-retirement benefits are available upon retirement at age 55 under terms of their employment contract. Through fiscal year 1993, the employees involved were primarily conservation officers, guards at correctional facilities, and highway patrol officers. If these employees elect retirement at age 55, the state will pay the employer share of health insurance benefits until age 65.

The Legislature has, from time to time, provided early retirement incentives, for other employees meeting specific requirements. The specific circumstances usually require retiring within a certain narrow time frame, whereby the state will pay the employer share of health insurance benefits until age 65. The 1993 Legislature approved an incentive window from May 17, 1993 through January 30, 1994.

The cost of these benefits, which is recognized as paid, was $3,752,310 during fiscal year 1993. The number of employees currently eligible for this benefit is 1,587.

17. ENTERPRISE FUNDS - SEGMENT INFORMATION

State of Minnesota agencies provide major services to the public, financed by user charges. These agencies are:

Housing Finance Agency (HFA)
Higher Education Facilities Authority (HEFA)
State University Board (SUB)
Higher Education Coordinating Board (HECB)
Public Facilities Authority
State Lottery
College and University Enterprise Activities
Minnesota Correctional Industries
Chemical Dependency Treatment

In addition, services on a smaller scale are provided by other numerous functions (Enterprise Activities).

Significant enterprise fund financial data for the year ended June 30, 1993, follows.

Enterprise Funds' Segment Information
(in thousands)

	HFA	HEFA	SUB	HECB	Public Facilities Authority	State Lottery	College & University Enterprise Activities	Minnesota Correctional Industries	Chemical Dependency Treatment	Total
Operating Revenues	$171,392	$10,432	$36,062	$10,344	$22,572	$328,976	$80,699	$14,614	$10,959	$636,050
Depreciation/Amortization Expense	3,071	345	3,736	394	248	1,078	476	417	-	9,765
Operating Income (Loss)	10,067	(2,126)	2,628	3,249	3,021	56,215	4,014	(5,449)	(252)	71,367
Nonoperating Revenues (Expenses):										
Investment Income	-	2,362	2,473	3,482	-	930	359	94	68	9,768
Grants (Revenue)	79,423	-	-	662	-	-	573	-	-	80,658
Grants (Expense)	(88,693)	-	-	-	-	-	(1,840)	-	-	(90,533)
Net Operating Transfers In (-Out)	15,184	-	-	-	-	(57,145)	(615)	4,924	-	(37,652)
Net Income (Loss)	13,356	(439)	950	7,393	3,021	-	2,551	(456)	(184)	26,192
Changes in Contributed Capital	-	-	(352)	-	43,613	-	-	341	-	43,602
Fixed Assets:										
Additions	335	-	12,301	-	12	208	244	637	-	13,737
(Deletions)	94	-	28	-	-	12	-	162	-	296
Net Working Capital	130	32,360	15,291	54,396	-	(558)	923	8,910	1,575	135,063
Total Assets	2,480,360	212,262	111,606	288,471	435,353	24,760	56,380	12,837	3,603	3,625,632
Noncurrent Liabilities Payable from:										
Operating Revenues	-	298	-	101	-	328	127	237	534	1,428
Other Sources	2,007,096	208,904	-	75,564	-	-	-	34	-	2,160,258
Total Fund Equity	$415,721	$3,270	$69,143	$205,844	$171,985	$ -	$52,716	$11,233	$1,042	$930,954

18. STATEMENT OF CASH FLOWS VS COMBINED BALANCE SHEET

Cash and cash equivalents for the nonexpendable trust funds as of June 30, 1993 on the combined statement of cash flows is reconciled to the cash and cash equivalents on the combined balance sheet as follows (in thousands):

Cash and Cash Equivalents June 30, 1993:	
Nonexpendable Trust Funds	$ 41,144
Expendable Trust Funds	756,352
Pension Trust Funds	1,075,453
Agency Funds	195,861
Total Fiduciary Funds	$ 2,068,810

19. BUDGETARY BASIS VS GAAP

Actual revenues, transfers-in, expenditures, encumbrances and transfers-out on the budgetary basis do not equal those on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds. This inequality results primarily from differences in the recognition of accruals, reimbursements, deferred revenue, intrafund and loan transactions, and from the budgetary basis of accounting for encumbrances. On the budgetary basis, encumbrances are recognized as expenditures in the year encumbered, while on the modified accrual basis expenditures are recognized when goods or services are received, regardless of the year encumbered. A reconciliation of the fund balances under the two bases for the General and special revenue funds is provided in the table below.

A major difference between GAAP and budgetary fund balances for special revenue funds is an entity difference for those funds which do not require legal appropriations. A reconciliation of this entity difference is presented here (in thousands). Other differences in basis of accounting and perspective (fund structure) are included in the table below.

Total GAAP Basis Fund Balances - All Special Revenue Funds	$541,572
Special Revenue Funds not requiring legal appropriation	(334,893)
Total GAAP Fund Balances - Appropriated Special Revenue Funds	$206,679

Reconciliation of GAAP Basis Fund Balances to Budgetary Basis Fund Balances
June 30, 1993
(in thousands)

		Special Revenue Funds						
	General Fund	Trunk Highway	Highway User Tax Distribution	Other Trans-portation	Environ-mental	Natural Resources	Health Care Access	Total Special Revenue
GAAP Basis Fund Balances	$692,485	$121,658	($6,876)	$23,395	$26,147	$28,964	$13,391	$206,679
Less Reserved Fund Balances	451,183	79,087	609	14,563	4,801	8,013	1,251	108,324
Less Designated Fund Balances	46,326	4,885	-	12	-	602	1,340	6,839
Undesignated Fund Balances	$194,976	$37,686	($7,485)	$8,820	$21,346	$20,349	$10,800	$91,516
Basis of Accounting Differences								
Revenue Accruals/Adjustments:								
Taxes Receivable	(21,908)	-	-	-	-	-	-	-
Human Services Receivable	(16,249)	-	-	-	-	-	-	-
Federal Aid Receivable	-	(4,247)	-	-	-	(560)	-	(4,807)
Refunds Payable	1,833	-	-	-	-	-	-	-
Deferred Revenue	44,887	88	-	-	-	-	-	88
Other Receivables	(673)	(4,050)	-	-	309	(8,604)	-	(12,345)
Expenditure Accruals/Adjustments:								
Family Support & Medical Assist.	203,739	-	-	-	-	-	-	-
Police and Fire Aid	44,498	-	-	-	-	-	-	-
Community Service Grants	11,140	-	-	-	-	-	-	-
Other Payables	373	529	4,520	-	-	-	-	5,049
Other Financial Sources (Uses):								
Transfers-In	(3,891)	(2,110)	-	-	-	-	-	(2,110)
Transfers-Out	-	-	3,500	-	-	-	-	3,500
Reserved Fund Balances:								
Long-Term Receivables	-	-	-	2,863	-	-	-	2,863
Fund Structure Differences								
Terminally Funded Pension Plan	5,429	-	-	-	-	-	-	-
Budgetary Basis:								
Undesignated Fund Balances	$464,154	$27,896	$ 535	$11,683	$21,655	$11,185	$10,800	$83,754

20. DEFERRED COMPENSATION

The state offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all public employees in the state and is administered by the Minnesota State Retirement Association. Investments are managed by the State Board of Investment and two insurance companies. The plan is accounted for in the Deferred Compensation Fund, an agency fund, with its investments reported at market value.

Under this plan, compensation is deferred for income tax purposes in accordance with Section 457 and is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts deferred under the plan, all assets purchased with such deferrals, related income, property, or rights remain (until made available to the employee or beneficiary) solely the property and rights of the employer (the state or local unit of government), subject only to the general creditors of the employer.

In accordance with state statute, the state is not liable for any losses under the plan but does have the duty of due care that would be required of a prudent investor. The state believes that it is unlikely that it, or other employers under the plan, will use the assets to satisfy the claims of general creditors in the future.

Of the $841.2 million of investments in the Fund at June 30, 1993, $374.8 million was applicable to the state while the remainder represents the assets of the other units of government participating in the plan. At June 30, 1993, $611.6 million of assets and funds held in trust are managed by third party administrators.

21. SUBSEQUENT EVENTS

On August 1, 1993, $210,000,000 of general obligation various purpose bonds were sold at a true interest rate of 5.1 percent. The bonds were issued to finance the cost of capital improvements and are backed by the full faith and credit and taxing powers of the state of Minnesota.

On August 1, 1993, $146,995,000 and on November 1, 1993, $91,720,000 general obligation refunding bonds with a true interest rate of 5.1 and 4.7 percent respectively were issued to advance refund $133,770,000 and $81,650,000 respectively of the following outstanding bond Series with the following average interest rates.

Dated	Interest Rates
August, 1986	6.90
July, 1987	6.80
July, 1988	6.70
August, 1991	6.61
July, 1992	6.03

In July, 1993, $46,000,000 of revenue bonds with interest rates from 2.5 to 5.6 percent were issued by the Higher Education Facilities Authority (an enterprise fund) to refund bonds callable from October 1, 1993 through September 1, 2000.

As required by the constitution and statutes, transfers from the funds presented below (in thousands) were made on November 1, and December 1, 1993, to the separately invested Debt Service Fund to cover principal and interest maturing through July 1, 1994.

General	$220,974
Game and Fish	58
Trunk Highway	8,273
Maximum Effort School Loan	12,518
From Higher Education:	
Technical Colleges	843
Community College System	1,391
State University System	1,422
University of Minnesota	2,370
Total Transfers to Debt Service	$247,849

Combining Financial Statements

GENERAL FUND

The *General Fund* accounts for all financial resources except those required to be accounted for in another fund.

STATE OF MINNESOTA

GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1993 and 1992
(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1993	JUNE 30, 1992
ASSETS		
Cash and Cash Equivalents	$ 1,076,386	$ 651,967
Accounts Receivable	61,215	54,594
Interfund Receivables	50,752	33,834
Accrued Investment/Interest Income	15,562	17,467
Deferred Costs	–	624
Loans Receivable	18,473	20,515
Advances to Other Funds	1,948	6,313
Total Assets	$ 1,224,336	$ 785,314
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 456,567	$ 425,645
Interfund Payables	18,812	11,240
Deferred Revenue	56,472	57,863
Total Liabilities	$ 531,851	$ 494,748
Fund Balances:		
Reserved Fund Balances:		
Reserved for Encumbrances	$ 70,653	$ 84,480
Reserved for Long–Term Receivables	20,530	26,434
Budgetary Reserve	360,000	400,000
Reserved for Other	–	624
Total Reserved Fund Balances	$ 451,183	$ 511,538
Unreserved Fund Balances:		
Designated for Appropriation Carryover	$ 46,326	$ 80,871
Undesignated	194,976	(301,843)
Total Unreserved Fund Balances	$ 241,302	$ (220,972)
Total Fund Balances	$ 692,485	$ 290,566
Total Liabilities and Fund Balances	$ 1,224,336	$ 785,314

STATE OF MINNESOTA

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993 and 1992
(IN THOUSANDS)

	TOTALS FOR THE YEAR ENDED	
	JUNE 30, 1993	JUNE 30, 1992
Net Revenues:		
Individual Income Taxes	$ 3,470,244	$ 3,148,740
Corporate Income Taxes	507,703	428,412
Sales Taxes	2,375,793	2,192,547
Motor Vehicle License Taxes	823	748
Other Taxes	886,956	844,950
Federal Revenues	15,991	9,203
License Fees	45,709	40,898
Care and Hospitalization Revenues	105,799	102,721
Tuition and Student Fees	174,884	158,751
Departmental Services	52,069	47,598
Investment/Interest Income	21,788	25,310
Other Revenues	63,659	86,359
Net Revenues	$ 7,721,418	$ 7,086,237
Expenditures:		
Current:		
Protection of Persons and Property	$ 99,078	$ 82,086
Transportation	847	660
Resource Management	98,893	95,380
Economic and Manpower Development	58,415	59,104
Education	481,338	465,236
Health and Social Services	463,149	450,098
General Government	195,103	186,327
Total Current Expenditures	$ 1,396,823	$ 1,338,891
Capital Outlay	15,606	15,374
Debt Service	9,768	10,994
Grants and Subsidies	5,669,193	5,601,524
Total Expenditures	$ 7,091,390	$ 6,966,783
Excess of Revenues Over (Under) Expenditures	$ 630,028	$ 119,454
Other Financing Sources (Uses):		
Operating Transfers–In	$ 58,324	$ 69,171
Operating Transfers to Debt Service	(197,636)	(202,835)
Other Operating Transfers–Out	(94,483)	(75,837)
Capital Leases	3,334	3,625
Other Uses	(1,113)	(238)
Net Other Financing Sources (Uses)	$ (231,574)	$ (206,114)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 398,454	$ (86,660)
Fund Balances, July 1, as Reported	$ 290,566	$ 448,755
Prior Period Adjustments	–	(74,241)
Fund Balances, July 1, as Restated	$ 290,566	$ 374,514
Residual Equity Transfers–In	3,671	4,467
Residual Equity Transfers–Out	(206)	(1,755)
Fund Balances, June 30	$ 692,485	$ 290,566

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SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specific purposes as described below.

The *Trunk Highway Fund* is supported by revenues from the Highway User Tax Distribution Fund and federal grants to provide planning, design, construction and maintenance of the state trunk highway system.

The *Highway User Tax Distribution Fund* receives revenue from taxes on motor vehicles and motor fuels for transfer to various transportation related funds.

The *Other Transportation Funds* includes the State Airports Fund and the Transit Assistance Fund which is currently unfunded and therefore not reported.

State Airports Fund uses revenue from aviation related taxes and fees to provide technical and financial assistance to municipal airports and to promote aviation safety, planning and regulation.

The *Federal Fund* receives and disburses federal government grants and reimbursements. The fund is administered in accordance with grant agreements between the state and federal agencies.

The *Environmental Fund* accounts for activities that monitor and control environmental problems using taxes and fees from activities and industries contributing to environmental problems.

The *Petroleum Tank Cleanup Fund* receives funding from a fee imposed on petroleum distributors for the purpose of reimbursing responsible parties for most of their costs to cleanup environmental contamination from petroleum tanks.

The *Natural Resources Funds* include three funds created for the purposes of preserving and improving the state's natural resources.

Minnesota Resources Fund receives a portion of the cigarette and tobacco taxes which are appropriated for various natural resource development purposes.

The *Natural Resources Fund* receives taxes from fuel used in recreational vehicles, fees and donations which are used to fund management of the related natural resource programs.

Game and Fish Fund receives revenues from license fees and fines related to hunting and fishing which are spent for related purposes.

The *Maximum Effort School Loan Fund* receives bond proceeds and reimbursements from school districts to help finance school district construction projects.

The *Special Workers Compensation Fund* receives assessments on all insurers for administration of the state workers compensation program, including enforcement, for reimbursement of certain supplemental benefits, and for payment of claims to employees of uninsured and bankrupt firms.

The *Health Care Access Fund* receives taxes on health service providers and premiums for programs which will help contain the costs of health care, make reforms in health insurance, and provide competitive priced insurance for people unable to obtain affordable coverage.

The *Iron Range Resources and Rehabilitation Fund* receives revenues from taconite taxes which are used to promote economic development in northeastern Minnesota.

The *Miscellaneous Special Revenue Fund* includes numerous smaller accounts whose revenues are dedicated to a variety of specific purposes.

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL	ENVIRONMENTAL
ASSETS					
Cash and Cash Equivalents	$ 127,699	$ 9,238	$ 21,899	$ 605	$ 27,675
Investments	–	–	–	–	–
Accounts Receivable	4,910	422	672	53,743	429
Interfund Receivables	5,226	–	–	7,854	–
Accrued Investment/Interest Income	–	–	–	–	–
Federal Aid Receivable	18,567	–	–	300,201	–
Inventories	15,165	–	–	–	–
Deferred Costs	–	–	–	–	–
Loans Receivable	–	–	2,955	–	357
Advances to Other Funds	–	–	–	–	–
Total Assets	$ 171,567	$ 9,660	$ 25,526	$ 362,463	$ 28,461
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 47,534	$ 2,856	$ 2,131	$ 283,926	$ 2,314
Interfund Payables	2,287	13,680	–	31,961	–
Payable to Other Governmental Units	–	–	–	42,170	–
Deferred Revenue	88	–	–	18,550	–
Advances from Other Funds	–	–	–	–	–
Total Liabilities	$ 49,909	$ 16,536	$ 2,131	$ 356,627	$ 2,314
Fund Balances:					
Reserved Fund Balances:					
Reserved for Encumbrances	$ 28,004	$ 609	$ 11,700	$ –	$ –
Reserved for Inventory	15,165	–	–	–	4,444
Reserved for Long–Term Receivables	–	–	2,863	–	–
Reserved for Long–Term Commitments	35,918	–	–	–	357
Reserved for Long–Term Advances	–	–	–	–	–
Reserved for Debt Requirements	–	–	–	–	–
Reserved for Other	–	–	–	4,984	–
Total Reserved Fund Balances	$ 79,087	$ 609	$ 14,563	$ 4,984	$ 4,801
Unreserved Fund Balances:					
Designated for Appropriation Carryover	$ 4,885	$ –	$ 12	$ –	$ –
Designated for Fund Purposes	–	–	–	852	–
Undesignated	37,686	(7,485)	8,820	–	21,346
Total Unreserved Fund Balances	$ 42,571	$ (7,485)	$ 8,832	$ 852	$ 21,346
Total Fund Balances	$ 121,658	$ (6,876)	$ 23,395	$ 5,836	$ 26,147
Total Liabilities and Fund Balances	$ 171,567	$ 9,660	$ 25,526	$ 362,463	$ 28,461

PETROLEUM TANK CLEANUP	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	HEALTH CARE ACCESS	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
$ 2,330	$ 23,312	$ 19,765	$ 31,303	$ 18,477	$ 51,253	$ 168,324	$ 501,900	$ 490,993
–	–	–	–	–	–	6,128	6,128	10,958
4,671	5,415	–	122	1,579	167	22,633	94,763	72,023
–	4,542	–	–	876	–	6,403	24,901	19,236
–	–	63	–	–	–	150	213	870
–	560	–	–	–	–	–	319,388	300,976
–	–	–	–	–	–	273	15,438	16,046
–	–	–	–	–	–	–	–	247
–	–	81,666	–	11	819	66,836	152,644	142,565
–	–	–	–	525	–	–	525	–
$ 7,001	$ 33,829	$ 101,514	$ 31,425	$ 21,468	$ 52,239	$ 270,747	$ 1,115,900	$ 1,053,914
$ 40,661	$ 4,865	$ –	$ 46,640	$ 3,653	$ 1,769	$ 30,062	$ 446,411	$ 410,152
–	–	–	–	4,424	–	9,647	62,019	43,409
–	–	–	–	–	–	–	42,170	34,180
–	–	–	–	–	–	4,779	23,417	20,747
–	–	–	–	–	–	311	311	978
$ 40,661	$ 4,865	$ –	$ 46,640	$ 8,077	$ 1,769	$ 44,799	$ 574,328	$ 509,466
$ –	$ 8,013	$ –	$ 1,799	$ 715	$ 10,124	$ 21,754	$ 82,718	$ 84,886
–	–	–	–	–	–	273	19,882	19,046
–	–	79,192	–	11	819	63,857	148,742	137,920
–	–	–	–	–	1,939	–	38,214	63,237
–	–	–	–	525	–	–	525	–
–	–	–	–	–	–	23,750	23,750	23,682
–	–	–	–	–	–	5,287	10,271	14,661
$ –	$ 8,013	$ 79,192	$ 1,799	$ 1,251	$ 12,882	$ 114,921	$ 322,102	$ 340,432
$ –	$ 602	$ –	$ –	$ 1,340	$ –	$ –	$ 6,839	$ 16,405
–	–	22,322	–	–	37,588	111,027	171,789	124,592
(33,660)	20,349	–	(17,014)	10,800	–	–	40,842	63,019
$ (33,660)	$ 20,951	$ 22,322	$ (17,014)	$ 12,140	$ 37,588	$ 111,027	$ 219,470	$ 204,016
$ (33,660)	$ 29,964	$ 101,514	$ (15,215)	$ 13,391	$ 50,470	$ 225,948	$ 541,572	$ 544,448
$ 7,001	$ 33,829	$ 101,514	$ 31,425	$ 21,468	$ 52,239	$ 270,747	$ 1,115,900	$ 1,053,914

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	TRUNK HIGHWAY	HIGHWAY USER TAX DISTRIBUTION	OTHER TRANSPORTATION	FEDERAL	ENVIRONMENTAL
Net Revenues:					
Motor Vehicle License Taxes	$ –	$ 383,386	$ –	$ –	$ –
Fuel Taxes	–	459,316	2,820	–	–
Other Taxes	–	–	10,062	–	3,239
Federal Revenues	264,628	–	–	2,448,275	–
License Fees	28,433	1	3	–	10,027
Care and Hospitalization Revenues	–	–	–	–	–
Tuition and Student Fees	–	–	–	–	–
Departmental Services	7,392	5,036	669	196	5,265
Investment/Interest Income	5,265	–	950	248	1,080
Penalties and Fines	–	–	–	–	483
Other Revenues	7,962	499	664	12,681	1,981
Net Revenues	$ 313,680	$ 848,238	$ 15,168	$ 2,461,400	$ 22,075
Expenditures:					
Current:					
Protection of Persons and Property	$ 60,336	$ 11,915	$ –	$ 5,052	$ 38
Transportation	317,946	445	5,814	4,129	–
Resource Management	–	–	–	17,221	21,175
Economic and Manpower Development	716	–	–	101,760	524
Education	48	–	–	26,434	–
Health and Social Services	882	–	–	36,368	106
General Government	500	1,652	–	2,202	212
Total Current Expenditures	$ 380,428	$ 14,012	$ 5,814	$ 193,166	$ 22,055
Capital Outlay	440,776	17	676	19,761	788
Debt Service	29,383	–	–	52	–
Grants and Subsidies	1,499	–	7,417	2,249,179	2,568
Total Expenditures	$ 852,086	$ 14,029	$ 13,907	$ 2,462,158	$ 25,411
Excess of Revenues Over (Under) Expenditures	$ (538,406)	$ 834,209	$ 1,261	$ (758)	$ (3,336)
Other Financing Sources (Uses):					
General Obligation Bonds	$ –	$ –	$ –	$ –	$ –
Proceeds from Loans	4,826	–	–	–	–
Operating Transfers – In	499,897	–	–	2,457	1,400
Operating Transfers to Debt Service	(15,797)	–	–	–	–
Other Operating Transfers – Out	(126)	(838,687)	–	(1,534)	–
Capital Leases	312	–	–	–	–
Other Sources (Uses)	–	–	–	–	–
Net Other Financing Sources (Uses)	$ 489,114	$ (838,687)	$ –	$ 923	$ 1,400
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (49,292)	$ (4,478)	$ 1,261	$ 165	$ (1,936)
Fund Balances, July 1	171,209	(2,398)	22,134	5,848	28,973
Prior Period Adjustments	–	–	–	–	–
Change in Reporting Entity	–	–	–	–	(890)
Residual Equity Transfers – In	–	–	–	–	–
Residual Equity Transfers – Out	–	–	–	(177)	–
Change in Inventory	(259)	–	–	–	–
Fund Balances, June 30	$ 121,658	$ (6,876)	$ 23,395	$ 5,836	$ 26,147

PETROLEUM TANK CLEANUP	NATURAL RESOURCES	MAXIMUM EFFORT SCHOOL LOAN	SPECIAL WORKERS COMPENSATION	HEALTH CARE ACCESS	IRON RANGE RESOURCES AND REHABILITATION	MISCELLANEOUS SPECIAL REVENUE	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 383,386	$ 348,801
–	–	–	–	–	–	–	462,136	457,826
–	7,303	–	134,330	30,770	22,587	38,645	246,936	195,402
–	11,908	–	–	–	–	36,118	2,760,929	2,499,250
27	42,446	–	–	–	–	17,574	98,511	123,591
–	–	–	–	1,717	–	194	1,911	61
–	–	–	–	–	–	7,234	7,234	6,334
34,971	302	–	–	–	1,475	38,390	93,696	55,113
112	914	5,024	2,030	–	2,389	9,032	27,044	36,045
–	–	–	–	–	–	5,846	6,329	5,763
17	2,853	–	3,289	–	575	46,825	77,346	78,026
$ 35,127	65,726	5,024	$ 139,649	$ 32,487	$ 27,026	$ 199,858	$ 4,165,458	$ 3,806,212
$ –	$ –	$ –	$ –	$ –	$ –	$ 2,359	$ 79,700	$ 87,305
–	–	–	–	–	–	129	328,463	315,968
2,916	64,622	–	–	–	–	21,837	127,771	120,679
52,983	449	–	16,407	567	6,960	19,402	199,768	176,530
–	39	11	–	–	–	21,974	48,506	40,761
–	39	–	–	5,803	–	51,729	94,927	89,321
–	379	–	3,570	4,739	–	13,435	26,689	19,082
$ 55,899	$ 65,528	$ 11	$ 19,977	$ 11,109	$ 6,960	$ 130,865	$ 905,824	$ 849,646
–	2,192	–	–	132	1,330	5,300	470,972	477,594
–	279	–	598	–	–	16,197	46,509	16,118
–	8,558	–	110,945	7,199	17,042	90,941	2,495,348	2,267,202
$ 55,899	$ 76,557	$ 11	$ 131,520	$ 18,440	$ 25,332	$ 243,303	$ 3,918,653	$ 3,610,560
$ (20,772)	$ (10,831)	$ 5,013	$ 8,129	$ 14,047	$ 1,694	$ (43,445)	$ 246,805	$ 195,652
$ –	$ –	$ 32,745	$ –	$ –	$ –	$ 2,200	$ 34,945	$ 22,460
–	–	–	–	–	–	–	4,828	18,669
–	10,113	–	–	–	491	72,435	586,793	542,462
–	(50)	(3,967)	–	–	(45)	(2,088)	(21,947)	(23,240)
–	–	(4,000)	–	(656)	–	(10,395)	(855,398)	(818,798)
–	–	–	167	–	–	4,473	4,952	4,119
–	–	–	–	–	(3)	–	(3)	915
$ –	$ 10,063	$ 24,778	$ 167	$ (656)	$ 443	$ 66,625	$ (245,830)	$ (253,413)
$ (20,772)	$ (768)	$ 29,791	$ 8,296	$ 13,391	$ 2,137	$ 23,180	$ 975	$ (57,761)
–	30,608	71,773	(23,511)	–	48,333	205,257	558,226	606,458
(13,778)	–	–	–	–	–	–	(13,778)	–
890	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	3
–	(876)	(50)	–	–	–	(2,140)	(3,243)	(4,185)
–	–	–	–	–	–	(349)	(608)	(87)
$ (33,660)	$ 28,964	$ 101,514	$ (15,215)	$ 13,391	$ 50,470	$ 225,948	$ 541,572	$ 544,448

APPROPRIATED SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	TRUNK HIGHWAY			HIGHWAY USER TAX DISTRIBUTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Motor Vehicle License Taxes	$ –	$ –	$ –	$ 383,057	$ 383,236	$ 179
Fuel Taxes	–	–	–	459,385	459,686	301
Other Taxes	–	–	–	–	–	–
Federal Revenues	226,100	173,319	(52,781)	–	–	–
License Fees	14,626	18,306	3,680	–	1	1
Departmental Services	22,022	18,215	(3,807)	5,119	5,032	(87)
Investment/Interest Income	8,755	5,253	(3,502)	–	–	–
Other Revenues	8,689	9,361	672	860	500	(360)
Net Revenues	$ 280,192	$ 224,454	$ (55,738)	$ 848,421	$ 848,455	$ 34
Expenditures:						
Protection of Persons and Property	$ 64,655	$ 63,059	$ 1,596	$ 11,958	$ 11,872	$ 86
Transportation	756,791	680,140	76,651	445	445	–
Resource Management	–	–	–	–	–	–
Economic and Manpower Development	718	717	1	–	–	–
Education	59	57	2	–	–	–
Health and Social Services	1,482	1,479	3	–	–	–
General Government	2,347	1,333	1,014	1,965	1,715	250
Total Expenditures	$ 826,052	$ 746,785	$ 79,267	$ 14,368	$ 14,032	$ 336
Excess of Revenues Over (Under) Expenditures	$ (545,860)	$ (522,331)	$ 23,529	$ 834,053	$ 834,423	$ 370
Other Financing Sources (Uses):						
Proceeds from Loans	$ 6,600	$ 399	$ (6,201)	$ –	$ –	$ –
Operating Transfers – In	502,453	499,460	(2,993)	–	–	–
Operating Transfers to Debt Service	(16,094)	(15,797)	297	–	–	–
Other Operating Transfers – Out	(66)	(66)	–	(835,145)	(835,145)	–
Net Other Financing Sources (Uses)	$ 492,893	$ 483,996	$ (8,897)	$ (835,145)	$ (835,145)	$ –
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (52,967)	$ (38,335)	$ 14,632	$ (1,092)	$ (722)	$ 370
Fund Balances, July 1, 1992, as Reported	53,383	53,383	–	1,095	1,095	–
Change in Reporting Entity	–	–	–	–	–	–
Prior Year Adjustments	–	17,733	17,733	–	162	162
Total Fund Balances, June 30, 1993	$ 416	$ 32,781	$ 32,365	$ 3	$ 535	$ 532
Less Appropriation Carryover	–	4,885	(4,885)	–	–	–
Less Reserve for Other	–	–	–	–	–	–
Undesignated Fund Balances, June 30, 1993	$ 416	$ 27,896	$ 27,480	$ 3	$ 535	$ 532

OTHER TRANSPORTATION			ENVIRONMENTAL			NATURAL RESOURCES			HEALTH CARE ACCESS			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 383,057	$ 383,236	$ 179
2,600	2,833	233	–	–	–	–	–	–	–	–	–	481,985	482,519	534
10,400	10,048	(351)	3,774	3,239	(535)	7,383	7,383	(80)	30,725	30,770	45	52,282	51,361	(921)
–	–	–	–	–	–	12,100	12,577	477	–	–	–	238,200	190,896	(52,304)
–	–	–	7,552	10,024	2,472	41,971	43,072	101	–	–	–	84,149	70,403	6,254
78	418	340	–	–	–	840	718	78	–	–	–	27,859	24,383	(3,476)
1,100	948	(152)	1,984	1,080	(534)	1,283	883	(400)	–	–	–	12,802	8,184	(4,618)
974	868	(306)	9,978	8,577	(1,399)	2,943	2,543	(400)	1,707	1,717	10	25,149	23,388	(1,760)
$ 15,152	$ 14,918	$ (236)	$ 22,988	$ 22,920	$ (48)	$ 66,320	$ 66,096	$ (224)	$ 32,432	$ 32,487	$ 55	$ 1,305,483	$ 1,209,339	$ (96,155)
$ –	$ –	$ –	$ 41	$ 35	$ 3	$ –	$ –	$ –	$ –	$ –	$ –	$ 79,884	$ 74,999	$ 1,385
18,921	18,069	852	200	200	–	–	–	–	–	–	–	779,387	696,854	77,903
–	–	–	32,347	27,075	5,272	74,012	73,403	609	–	–	–	106,389	100,478	5,881
–	–	–	583	548	5	483	428	35	809	868	241	2,943	2,281	282
–	–	–	–	–	–	2,749	2,740	9	2,389	2,259	130	5,194	5,056	138
–	–	–	188	124	44	–	–	–	13,071	8,548	4,523	14,721	10,149	4,572
25	10	15	218	211	7	839	694	194	1,013	457	556	6,406	4,380	2,026
$ 18,946	$ 18,079	$ 867	$ 33,527	$ 28,196	$ 5,331	$ 78,030	$ 77,225	$ 834	$ 17,282	$ 11,830	$ 5,452	$ 998,234	$ 898,147	$ 92,087
$ (3,794)	$ (3,163)	$ 631	$ (10,561)	$ (5,276)	$ 5,285	$ (11,730)	$ (11,120)	$ 810	$ 15,150	$ 20,657	$ 5,507	$ 277,249	$ 313,191	$ 35,932
$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 6,800	$ 399	$ (6,201)
–	–	–	1,400	1,400	–	9,514	9,514	–	–	–	–	513,387	510,374	(2,963)
–	–	–	–	–	–	(80)	(80)	–	–	–	–	(16,144)	(15,847)	297
–	–	–	(44)	(44)	–	(879)	(879)	–	(6,705)	(5,849)	1,184	(842,934)	(841,680)	1,184
$ –	$ –	$ –	$ 1,356	$ 1,356	$ –	$ 8,588	$ 8,588	$ –	$ (6,705)	$ (5,849)	$ 1,184	$ (339,011)	$ (346,754)	$ (7,743)
$ (3,794)	$ (3,163)	$ 631	$ (9,205)	$ (3,920)	$ 5,285	$ (3,151)	$ (2,541)	$ 810	$ 8,447	$ 15,108	$ 6,661	$ (61,782)	$ (33,573)	$ 28,189
14,068	14,068	–	24,403	24,403	–	12,887	12,887	–	–	–	–	108,803	108,803	–
–	–	–	(481)	(481)	–	–	–	–	–	–	–	(481)	(481)	–
–	803	803	–	1,853	1,853	–	1,481	1,481	–	–	–	–	21,812	21,812
$ 10,281	$ 11,695	$ 1,434	$ 14,717	$ 21,855	$ 8,938	$ 9,716	$ 11,787	$ 2,071	$ 8,447	$ 15,108	$ 6,661	$ 43,560	$ 93,561	$ 50,001
–	12	(12)	–	–	–	–	902	(902)	–	1,340	(1,340)	–	6,839	(6,839)
–	–	–	–	–	–	–	–	–	2,939	2,968	(39)	2,939	2,968	(39)
$ 10,281	$ 11,683	$ 1,422	$ 14,717	$ 21,855	$ 8,938	$ 9,716	$ 11,185	$ 1,469	$ 5,508	$ 10,800	$ 5,292	$ 40,621	$ 83,754	$ 43,123

NATURAL RESOURCES FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
ASSETS					
Cash and Cash Equivalents	$ 2,267	$ 11,699	$ 9,346	$ 23,312	$ 25,878
Accounts Receivable	973	139	4,303	5,415	4,651
Interfund Receivables	–	4,542	–	4,542	4,496
Federal Aid Receivable	–	–	560	560	1,169
Total Assets	$ 3,240	$ 16,380	$ 14,209	$ 33,829	$ 36,192
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 633	$ 1,160	$ 3,072	$ 4,865	$ 5,584
Total Liabilities	$ 633	$ 1,160	$ 3,072	$ 4,865	$ 5,584
Fund Balances:					
Reserved Fund Balances:					
Reserved for Encumbrances	$ 1,371	$ 3,553	$ 3,089	$ 8,013	$ 8,408
Total Reserved Fund Balances	$ 1,371	$ 3,553	$ 3,089	$ 8,013	$ 8,408
Unreserved Fund Balances:					
Designated for Appropriation Carryover	$ 336	$ –	$ 266	$ 602	$ 1,065
Undesignated	900	11,667	7,782	20,349	21,135
Total Unreserved Fund Balances	$ 1,236	$ 11,667	$ 8,048	$ 20,951	$ 22,200
Total Fund Balances	$ 2,607	$ 15,220	$ 11,137	$ 28,964	$ 30,608
Total Liabilities and Fund Balances	$ 3,240	$ 16,380	$ 14,209	$ 33,829	$ 36,192

NATURAL RESOURCES FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	MINNESOTA RESOURCES	NATURAL RESOURCES	GAME AND FISH	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
Net Revenues:					
Tobacco Taxes	$ 7,303	$ –	$ –	$ 7,303	$ 7,286
Federal Revenues	–	–	11,908	11,908	12,412
License Fees	–	5,783	36,663	42,446	42,175
Departmental Services	–	–	302	302	118
Investment Income	119	211	584	914	1,377
Other Revenues	–	1,846	1,007	2,853	2,676
Net Revenues	$ 7,422	$ 7,840	$ 50,464	$ 65,726	$ 66,044
Expenditures:					
Current:					
Resource Management	$ 1,509	$ 13,016	$ 50,097	$ 64,622	$ 62,199
Economic and Manpower Development	449	–	–	449	136
Education	39	–	–	39	49
Health and Social Services	39	–	–	39	193
General Government	379	–	–	379	50
Total Current Expenditures	$ 2,415	$ 13,016	$ 50,097	$ 65,528	$ 62,627
Capital Outlay	705	759	728	2,192	3,731
Debt Service	–	–	279	279	294
Grants and Subsidies	3,416	4,192	950	8,558	8,691
Total Expenditures	$ 6,536	$ 17,967	$ 52,054	$ 76,557	$ 75,343
Excess of Revenues Over (Under) Expenditures	$ 886	$ (10,127)	$ (1,590)	$ (10,831)	$ (9,299)
Other Financing Sources (Uses):					
Operating Transfers – In	$ 561	$ 9,550	$ 2	$ 10,113	$ 10,456
Operating Transfers to Debt Service Fund	–	–	(50)	(50)	(35)
Net Other Financing Sources (Uses)	$ 561	$ 9,550	$ (48)	$ 10,063	$ 10,421
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 1,447	$ (577)	$ (1,638)	$ (768)	$ 1,122
Fund Balances, July 1	2,036	15,797	12,775	30,608	31,486
Residual Equity Transfers – Out	(876)	–	–	(876)	(2,000)
Fund Balances, June 30	$ 2,607	$ 15,220	$ 11,137	$ 28,964	$ 30,608

NATURAL RESOURCES FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BUDGETARY BASIS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	MINNESOTA RESOURCES			NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Net Revenues:						
Tobacco Taxes	$ 7,383	$ 7,303	$ (80)	$ –	$ –	$ –
Federal Revenues	–	–	–	–	–	–
License Fees	–	–	–	5,351	5,770	419
Departmental Services	–	–	–	130	223	93
Investment Income	268	119	(149)	315	209	(106)
Other Revenues	33	50	17	2,215	1,639	(576)
Net Revenues	$ 7,684	$ 7,472	$ (212)	$ 8,011	$ 7,841	$ (170)
Expenditures:						
Resource Management	$ 2,791	$ 2,662	$ 129	$ 18,472	$ 18,349	$ 123
Economic and Manpower Development	463	428	35	–	–	–
Education	2,746	2,740	6	–	–	–
General Government	838	654	184	–	–	–
Total Expenditures	$ 6,838	$ 6,484	$ 354	$ 18,472	$ 18,349	$ 123
Excess of Revenues Over (Under) Expenditures	$ 846	$ 988	$ 142	$ (10,461)	$ (10,508)	$ (47)
Other Financing Sources (Uses):						
Operating Transfers – In	$ 238	$ 238	$ –	$ 9,274	$ 9,274	$ –
Operating Transfers to Debt Service	–	–	–	–	–	–
Other Operating Transfers – Out	(876)	(876)	–	–	–	–
Net Other Financing Sources (Uses)	$ (638)	$ (638)	$ –	$ 9,274	$ 9,274	$ –
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ 208	$ 350	$ 142	$ (1,187)	$ (1,234)	$ (47)
Fund Balances, July 1, 1992, as Reported	527	527	–	7,652	7,652	–
Prior Year Adjustments	–	359	359	–	647	647
Fund Balances, June 30, 1993	$ 735	$ 1,236	$ 501	$ 6,465	$ 7,065	$ 600
Less Appropriation Carryover	–	336	(336)	–	–	–
Undesignated Fund Balances, June 30, 1993	$ 735	$ 900	$ 165	$ 6,465	$ 7,065	$ 600

GAME AND FISH			COMBINED TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ –	$ –	$ –	$ 7,383	$ 7,303	$ (80)
12,100	12,577	477	12,100	12,577	477
36,620	36,302	(318)	41,971	42,072	101
510	495	(15)	640	718	78
700	555	(145)	1,283	883	(400)
695	854	159	2,943	2,543	(400)
$ 50,625	$ 50,783	$ 158	$ 66,320	$ 66,096	$ (224)
$ 52,749	$ 52,392	$ 357	$ 74,012	$ 73,403	$ 609
–	–	–	463	428	35
–	–	–	2,746	2,740	6
–	–	–	838	654	184
$ 52,749	$ 52,392	$ 357	$ 78,059	$ 77,225	$ 834
$ (2,124)	$ (1,609)	$ 515	$ (11,739)	$ (11,129)	$ 610
$ 2	$ 2	$ –	$ 9,514	$ 9,514	$ –
(50)	(50)	–	(50)	(50)	–
–	–	–	(876)	(876)	–
$ (48)	$ (48)	$ –	$ 8,588	$ 8,588	$ –
$ (2,172)	$ (1,657)	$ 515	$ (3,151)	$ (2,541)	$ 610
4,688	4,688	–	12,867	12,867	–
–	455	455	–	1,461	1,461
$ 2,516	$ 3,486	$ 970	$ 9,716	$ 11,787	$ 2,071
–	266	(266)	–	602	(602)
$ 2,516	$ 3,220	$ 704	$ 9,716	$ 11,185	$ 1,469

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CAPITAL PROJECTS FUNDS

These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). Descriptions of individual funds in this fund type follow.

The *General Project Fund* receives monies appropriated from the General Fund for maintenance, building, or capital improvement projects.

The *Reinvest in Minnesota Fund* receives general obligation bond proceeds and donations for the acquisition and betterment of public land and conservation easements.

The *Transportation Fund* receives proceeds of transportation bonds, General Fund appropriations and federal grants for the construction or reconstruction of state and locally owned bridges.

The *Building Fund* receives revenue from the sale of state bonds to provide funds for the maintenance, acquisition and betterment of state lands and buildings and to make grants and loans to local governments for the acquisition and betterment of other public land and buildings.

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	GENERAL PROJECT	REINVEST IN MINNESOTA	TRANSPORTATION	BUILDING	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
ASSETS						
Cash and Cash Equivalents	$ 8,760	$ 2,025	$ 4,400	$ 35,641	$ 50,826	$ 58,999
Investments	–	–	–	6,418	6,418	3,900
Accounts Receivable	–	–	–	55	55	–
Accrued Investment/Interest Income	7	1	–	5	13	23
Loans Receivable	98	–	–	19,942	20,040	13,995
Total Assets	$ 8,865	$ 2,026	$ 4,400	$ 62,061	$ 77,352	$ 76,917
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 565	$ 35	$ 68	$ 14,081	$ 14,749	$ 31,152
Interfund Payables	220	–	240	1	461	2,965
Deferred Revenue	–	–	–	–	–	700
Total Liabilities	$ 785	$ 35	$ 308	$ 14,082	$ 15,210	$ 34,817
Fund Balances:						
Reserved Fund Balances:						
Reserved for Long-Term Receivables	$ 98	$ –	$ –	$ 19,942	$ 20,040	$ 13,969
Reserved for Long-Term Commitments	1,518	1,589	4,092	28,037	35,236	16,575
Total Reserved Fund Balances	$ 1,616	$ 1,589	$ 4,092	$ 47,979	$ 55,276	$ 30,544
Unreserved Fund Balances:						
Undesignated	6,464	402	–	–	6,866	11,556
Total Fund Balances	$ 8,080	$ 1,991	$ 4,092	$ 47,979	$ 62,142	$ 42,100
Total Liabilities and Fund Balances	$ 8,865	$ 2,026	$ 4,400	$ 62,061	$ 77,352	$ 76,917

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	GENERAL PROJECT	REINVEST IN MINNESOTA	TRANSPORTATION	BUILDING	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
Net Revenues:						
Federal Revenues	$ –	$ –	$ 2	$ –	$ 2	$ 211
Investment/Interest Income	7	15	–	5,510	5,532	9,070
Other Revenues	–	221	–	2,223	2,444	1,463
Net Revenues	$ 7	$ 236	$ 2	$ 7,733	$ 7,978	$ 10,744
Expenditures:						
Current:						
Protection of Persons and Property	$ –	$ –	$ –	$ 525	$ 525	$ 223
Resource Management	–	1,246	–	6,510	7,756	8,283
Economic and Manpower Development	–	–	–	–	–	54
Education	90	–	–	20,563	20,653	10,210
Health and Social Services	–	–	–	1,302	1,302	5,637
General Government	10,648	–	–	10,554	21,202	11,678
Total Current Expenditures	$ 10,738	$ 1,246	$ –	$ 39,454	$ 51,438	$ 36,085
Capital Outlay	30	1,467	–	30,336	31,833	45,877
Grants and Subsidies	723	–	7,178	42,899	50,800	94,428
Total Expenditures	$ 11,491	$ 2,713	$ 7,178	$ 112,689	$ 134,071	$ 176,390
Excess of Revenues Over (Under) Expenditures	$ (11,484)	$ (2,477)	$ (7,176)	$ (104,956)	$ (126,093)	$ (165,646)
Other Financing Sources (Uses):						
General Obligation Bonds	$ –	$ 2,700	$ 8,000	$ 139,580	$ 150,280	$ 172,540
Operating Transfers – In	400	12	–	4,000	4,412	1,489
Operating Transfers to Debt Service	–	–	–	(7,915)	(7,915)	(12,900)
Other Operating Transfers – Out	–	–	–	(23)	(23)	(251)
Net Other Financing Sources (Uses)	$ 400	$ 2,712	$ 8,000	$ 135,642	$ 146,754	$ 160,878
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (11,084)	$ 235	$ 824	$ 30,686	$ 20,661	$ (4,768)
Fund Balances, July 1	19,732	1,756	3,268	17,344	42,100	45,441
Residual Equity Transfers – In	–	–	–	–	–	1,755
Residual Equity Transfers – Out	(568)	–	–	(51)	(619)	(328)
Fund Balances, June 30	$ 8,080	$ 1,991	$ 4,092	$ 47,979	$ 62,142	$ 42,100

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DEBT SERVICE FUND

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, most general obligation long-term debt principal and interest.

STATE OF MINNESOTA

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1993 AND 1992
(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1993	JUNE 30, 1992
ASSETS		
Cash and Cash Equivalents	$ 226,717	$ 239,474
Investments	39,213	31,546
Accounts Receivable	19	12
Interfund Receivables	395	494
Accrued Investment Income	530	516
Total Assets	$ 266,874	$ 272,042
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 2,741	$ 2,236
Funds Held in Trust	1,847	1,568
Total Liabilities	$ 4,588	$ 3,804
Fund Balances:		
Reserved for Debt Requirements	$ 262,286	$ 268,238
Total Fund Balances	$ 262,286	$ 268,238
Total Liabilities and Fund Balances	$ 266,874	$ 272,042

DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993 AND 1992
(IN THOUSANDS)

	TOTALS FOR THE YEAR ENDED	
	JUNE 30, 1993	JUNE 30, 1992
Net Revenues:		
Tobacco Taxes	$ 16,147	$ –
Other Taxes	3,007	–
Federal Revenues	141	187
Investment Income	9,630	12,526
Other Revenues	3,394	2,665
Net Revenues	$ 32,319	$ 15,378
Expenditures:		
Current:		
General Government	$ 349	$ 25
Total Current Expenditures	$ 349	$ 25
Debt Service	257,499	250,629
Total Expenditures	$ 257,848	$ 250,654
Excess of Revenues Over (Under) Expenditures	$ (225,529)	$ (235,276)
Other Financing Sources (Uses):		
General Obligation Bonds	$ 750	$ –
Proceeds of Refunding Bonds	535,360	–
Operating Transfers – In	227,498	238,975
Payment to Refunded Bond Escrow Agent	(544,132)	–
Net Other Financing Sources (Uses)	$ 219,476	$ 238,975
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (6,053)	$ 3,699
Fund Balances, July 1	268,238	264,214
Residual Equity Transfers – In	101	325
Fund Balances, June 30	$ 262,286	$ 268,238

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ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the state has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Individual enterprise funds are described below.

The *Housing Finance Agency Loan Fund* provides money for loans and technical assistance for construction and rehabilitation of housing for families of low and moderate incomes.

The *Higher Education Facilities Authority Fund* assists private nonprofit, nonsectarian post secondary educational institutions in financing construction of education facilities.

The *State University Board Revenue Fund* constructs, maintains and operates college buildings for residence hall, student union or food service purposes.

The *Higher Education Coordinating Board Student Loan Fund* makes and guarantees loans to qualified post secondary students.

The *Public Facilities Authority Fund* provides financial assistance to municipalities, primarily for wastewater treatment construction projects.

The *State Lottery Fund* accounts for the operations of the state lottery. The net proceeds are transferred to the Environment and Natural Resources Trust Fund (40%), with the remainder transferred to the General Fund.

The *College and University Enterprise Activities Fund* includes the auxiliary enterprises and student loan programs operated by the state universities and community colleges.

The *Minnesota Correctional Industries Fund* facilitates prisoner rehabilitation by providing facilities and assistance for manufacturing and marketing goods to the general public.

The *Chemical Dependency Treatment Fund* accounts for the activity of state regional treatment centers for chemical dependency treatment services.

The *Enterprise Activities Fund* includes various minor activities providing services to the general public or local governmental units.

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN
ASSETS				
Cash and Cash Equivalents	$ 296,582	$ 1,433	$ 5,442	$ 27,265
Investments	260,492	–	14,696	26,298
Accounts Receivable	2,763	–	454	–
Interfund Receivables	–	–	–	–
Accrued Investment/Interest Income	24,438	–	528	1,636
Inventories	10,443	–	–	–
Deferred Costs	24,967	–	716	768
Restricted Assets:				
Cash and Cash Equivalents	148,126	30,485	–	14,439
Investments	154,615	24,515	27,299	14,246
Loans/Financing Leases Receivable	–	155,504	–	–
Other Restricted Assets	–	274	–	–
Loans Receivable	1,557,108	–	–	203,673
Advances to Other Funds	–	–	–	–
Fixed Assets (Net)	826	33	62,471	3
Other Assets	–	18	–	143
Total Assets	$ 2,480,360	$ 212,262	$ 111,606	$ 288,471
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	$ 3,222	$ 25	$ –	$ 803
Interfund Payables	–	–	–	–
Deferred Revenue	–	3	917	–
Payable from Restricted Assets:				
Accounts Payable	–	–	3,877	–
Revenue Bonds Payable	127,190	206,093	140	4,000
Revenue Bonds Interest Payable	73,889	2,788	–	159
General Obligation Bonds Payable	–	–	805	–
General Obligation Bonds Interest Payable	–	–	93	–
Other Payable from Restricted Assets	–	63	–	–
Notes Payable	–	–	–	–
Revenue Bonds Payable	1,704,501	–	32,355	77,564
General Obligation Bonds Payable	–	–	3,220	–
Compensated Absences Payable	451	30	912	101
Advances from Other Funds	–	–	–	–
Arbitrage Payable	–	–	144	–
Funds Held in Trust	155,386	–	–	–
Other Liabilities	–	–	–	–
Total Liabilities	$ 2,064,639	$ 208,992	$ 42,463	$ 82,627
Fund Equity:				
Contributed Capital	$ –	$ –	$ 3,676	$ –
Reserved Retained Earnings:				
Reserved for Debt Requirements	$ 369,990	$ 1,843	$ 21,341	$ 24,526
Reserved per Law	45,731	–	–	–
Total Reserved Retained Earnings	$ 415,721	$ 1,843	$ 21,341	$ 24,526
Unreserved Retained Earnings	–	1,427	44,126	181,318
Total Retained Earnings	$ 415,721	$ 3,270	$ 65,467	$ 205,844
Total Fund Equity	$ 415,721	$ 3,270	$ 69,143	$ 205,844
Total Liabilities and Fund Equity	$ 2,480,360	$ 212,262	$ 111,606	$ 288,471

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
$ –	$ 4,773	$ 12,330	$ 1,552	$ 1,290	$ 1,456	$ 352,123	$ 434,133
–	7,090	–	–	–	–	308,576	312,822
–	8,333	2,481	2,630	2,313	199	19,173	16,204
–	–	–	–	–	–	–	4
–	80	35	–	–	–	26,717	27,475
–	872	3,746	6,303	–	428	21,792	22,444
–	87	66	–	–	5	26,609	27,356
9,724	–	385	–	–	–	203,159	181,945
128,797	642	–	–	–	–	350,114	412,020
240,076	–	–	–	–	–	395,580	309,806
56,726	–	–	–	–	–	57,000	47,921
–	–	32,831	–	–	–	1,793,612	1,785,665
–	–	–	–	–	32	32	–
30	2,883	4,506	2,322	–	542	73,616	65,942
–	–	–	30	–	–	191	178
$ 435,353	$ 24,760	$ 56,380	$ 12,837	$ 3,603	$ 2,662	$ 3,628,294	$ 3,643,915
$ –	$ 16,633	$ 2,231	$ 807	$ 1,627	$ 529	$ 25,877	$ 23,548
–	6,811	–	–	400	–	7,211	5,791
–	158	101	–	–	109	1,288	1,941
142	642	–	–	–	–	4,661	4,336
258,214	–	–	–	–	–	595,627	564,265
4,922	–	–	–	–	–	81,758	99,996
–	–	–	–	–	–	805	200
–	–	–	–	–	–	93	90
90	–	–	–	–	–	153	206
–	–	37	–	–	–	37	20
–	–	1,150	–	–	–	1,815,570	1,935,044
–	–	–	–	–	–	3,220	4,025
–	516	145	565	534	90	3,344	3,022
–	–	–	–	–	–	–	16
–	–	–	–	–	–	144	207
–	–	–	–	–	–	155,386	138,665
–	–	–	232	–	–	232	174
$ 263,368	$ 24,760	$ 3,664	$ 1,604	$ 2,561	$ 728	$ 2,695,406	$ 2,781,546
$ 167,808	$ –	$ –	$ 5,685	$ 5,462	$ 995	$ 183,626	$ 140,013
$ –	$ –	$ –	$ –	$ –	$ –	$ 417,700	$ 404,860
–	–	40,757	–	–	–	86,488	71,873
$ –	$ –	$ 40,757	$ –	$ –	$ –	$ 504,188	$ 476,733
4,177	–	11,959	5,548	(4,420)	939	245,074	245,623
$ 4,177	$ –	$ 52,716	$ 5,548	$ (4,420)	$ 939	$ 749,262	$ 722,356
$ 171,985	$ –	$ 52,716	$ 11,233	$ 1,042	$ 1,934	$ 932,888	$ 862,369
$ 435,353	$ 24,760	$ 56,380	$ 12,837	$ 3,603	$ 2,662	$ 3,628,294	$ 3,643,915

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COODINATING BOARD STUDENT LOAN
Operating Revenues:				
Net Sales	$ –	$ –	$ –	$ –
Interest Income	127,909	–	–	10,344
Investment Income	40,254	–	–	–
Rental and Service Fees	3,229	10,432	36,062	–
Other Income	–	–	–	–
Total Operating Revenues	$ 171,392	$ 10,432	$ 36,062	$ 10,344
Less Cost of Goods Sold	–	–	–	–
Gross Margin	$ 171,392	$ 10,432	$ 36,062	$ 10,344
Operating Expenses:				
Interest and Financing Costs	$ 137,453	$ 11,933	$ –	$ 2,197
Purchased Services	7,927	88	15,399	3,335
Salaries and Fringe Benefits	5,852	151	11,479	502
Depreciation	310	8	3,711	10
Amortization	2,761	337	25	384
Supplies and Materials	244	–	2,820	24
Indirect Costs	83	–	–	87
Other Expenses	6,695	43	–	556
Total Operating Expenses	$ 161,325	$ 12,558	$ 33,434	$ 7,095
Operating Income (Loss)	$ 10,067	$ (2,126)	$ 2,628	$ 3,249
Nonoperating Revenues (Expenses):				
Investment Income	$ –	$ 2,362	$ 2,473	$ 3,482
Grants and Subsidies	79,423	–	–	662
Other Nonoperating Revenues	–	–	139	–
Interest and Financing Costs	–	–	(1,371)	–
Grants, Aids and Subsidies	(88,693)	–	–	–
Other Nonoperating Expenses	–	(675)	–	–
Gain (Loss) on Sale of Fixed Assets	–	–	(20)	–
Total Nonoperating Revenues (Expenses)	$ (9,270)	$ 1,687	$ 1,221	$ 4,144
Income (Loss) Before Operating Transfers	$ 797	$ (439)	$ 3,849	$ 7,393
Operating Transfers – In	15,222	–	–	–
Operating Transfers – Out	(38)	–	–	–
Net Income (Loss) before Extraordinary Item	$ 15,981	$ (439)	$ 3,849	$ 7,393
Extraordinary Loss on Debt Extinguishment	(2,625)	–	(2,899)	–
Net Income (Loss)	$ 13,356	$ (439)	$ 950	$ 7,393
Depreciation on Fixed Assets Acquired with Contributed Capital	–	–	352	–
Increase (Decrease) in Retained Earnings	$ 13,356	$ (439)	$ 1,302	$ 7,393
Retained Earnings, July 1, as Reported	$ 402,365	$ 3,709	$ 64,165	$ 198,451
Prior Period Adjustments	–	–	–	–
Retained Earnings, July 1, as Restated	$ 402,365	$ 3,709	$ 64,165	$ 198,451
Residual Equity Transfers – Out	–	–	–	–
Retained Earnings, June 30	$ 415,721	$ 3,270	$ 65,467	$ 205,844

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
$ –	$ 328,836	$ 28,014	$ 14,583	$ –	$ 2,443	$ 373,876	$ 330,558
11,902	–	805	–	–	–	150,960	156,526
10,670	–	–	–	–	–	50,924	55,031
–	–	1,003	2	10,959	691	62,378	61,179
–	140	877	29	–	–	1,046	553
$ 22,572	$ 328,976	$ 30,699	$ 14,614	$ 10,959	$ 3,134	$ 639,184	$ 603,847
–	247,450	18,135	15,586	–	900	282,071	241,995
$ 22,572	$ 81,526	$ 12,564	$ (972)	$ 10,959	$ 2,234	$ 357,113	$ 361,852
$ 18,237	$ 60	$ –	$ –	$ –	$ –	$ 169,880	$ 175,607
60	15,988	1,621	683	161	516	45,796	44,884
811	7,584	4,840	2,975	9,407	1,005	44,606	42,254
27	1,078	476	417	–	117	6,154	5,303
221	–	–	–	–	–	3,728	3,349
4	593	1,051	181	922	107	5,946	6,019
171	–	–	120	395	94	950	925
–	8	562	101	326	–	8,291	5,744
$ 19,551	$ 25,311	$ 8,550	$ 4,477	$ 11,211	$ 1,839	$ 285,351	$ 284,085
$ 3,021	$ 56,215	$ 4,014	$ (5,449)	$ (252)	$ 395	$ 71,762	$ 77,767
$ –	$ 930	$ 359	$ 94	$ 68	$ –	$ 9,768	$ 11,087
–	–	573	–	–	–	60,658	64,039
–	–	162	–	–	–	301	239
–	–	(102)	–	–	–	(1,473)	(1,650)
–	–	(1,840)	–	–	–	(90,533)	(72,939)
–	–	–	–	–	–	(675)	(261)
–	–	–	(25)	–	7	(38)	(2)
$ –	$ 930	$ (848)	$ 69	$ 68	$ 7	$ (1,992)	$ 513
$ 3,021	$ 57,145	$ 3,166	$ (5,380)	$ (184)	$ 402	$ 69,770	$ 78,280
–	–	39	4,924	–	–	20,185	18,805
–	(57,145)	(654)	–	–	–	(57,837)	(57,648)
$ 3,021	$ –	$ 2,551	$ (456)	$ (184)	$ 402	$ 32,118	$ 39,437
–	–	–	–	–	–	(5,524)	(3,692)
$ 3,021	$ –	$ 2,551	$ (456)	$ (184)	$ 402	$ 26,594	$ 35,745
–	–	–	–	–	10	362	368
$ 3,021	$ –	$ 2,551	$ (456)	$ (184)	$ 412	$ 26,956	$ 36,113
$ 1,156	$ –	$ 50,165	$ 6,004	$ (4,236)	$ 577	$ 722,356	$ 691,955
–	–	–	–	–	–	–	(5,462)
$ 1,156	$ –	$ 50,165	$ 6,004	$ (4,236)	$ 577	$ 722,356	$ 686,493
–	–	–	–	–	(50)	(50)	(250)
$ 4,177	$ –	$ 52,716	$ 5,548	$ (4,420)	$ 939	$ 749,262	$ 722,356

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	HOUSING FINANCE AGENCY LOAN	HIGHER EDUCATION FACILITIES AUTHORITY	STATE UNIVERSITY BOARD REVENUE	HIGHER EDUCATION COORDINATING BOARD STUDENT LOAN
Cash Flows from Operating Activities:				
Operating Income (Loss)	$ 10,067	$ (2,126)	$ 2,628	$ 3,249
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation	$ 310	$ 8	$ 3,711	$ 10
Amortization	2,761	337	25	384
Investment Income	(40,254)	–	–	–
Interest and Financing Costs	137,453	11,933	–	2,197
Loan Principal Repayments	193,824	9,845	–	26,324
Loans Issued	(187,437)	(49,183)	–	(43,771)
Provision for Loan Defaults	5,028	–	–	252
Customer Deposits	58,257	–	–	–
Return of Customer Deposits	(41,532)	–	–	–
Change in Assets and Liabilities:				
Accounts Receivable	2,129	–	527	–
Inventories	(895)	–	–	–
Other Assets	701	(12)	–	217
Accounts Payable	(3)	4	267	226
Deferred Revenues	(720)	(2)	24	–
Other Liabilities	76	1	(49)	11
Net Reconciling Items to be Added (Deducted) from Operating Income	$ 129,698	$ (27,069)	$ 4,505	$ (14,150)
Net Cash Flows from Operating Activities	$ 139,765	$ (29,195)	$ 7,133	$ (10,901)
Cash Flows from Noncapital Financing Activities:				
Grant Receipts	$ 79,423	$ –	$ 139	$ 692
Grant Disbursements	(88,693)	–	–	–
Transfers–In	15,222	–	–	–
Transfers–Out	(38)	–	–	–
Residual Equity Transfers–Out	–	–	–	–
Capital Contributions	–	–	–	–
Repayments of Advances from Other Funds	–	–	–	–
Proceeds from Bond Sales	227,066	–	–	30,000
Repayment of Bond Principal	(367,793)	–	–	(7,000)
Bond Issuance Costs	(3,030)	–	–	(357)
Interest Paid	(156,334)	–	–	(2,157)
Net Cash Flows from Noncapital Financing Activities	$ (294,177)	$ –	$ 139	$ 21,148
Cash Flows from Capital and Related Financing Activities:				
Investment in Fixed Assets	$ (335)	$ (6)	$ (12,301)	$ –
Proceeds from the Sale of Fixed Assets	–	–	8	–
Repayment of Advances to Other Funds Restricted to Capital Purchases	–	–	–	–
Collection of Financing Leases Receivable	–	7,050	–	–
Proceeds from Bond Sales	–	52,839	28,880	–
Repayment of Bond Principal	–	(20,981)	(15,685)	–
Bond Issuance Costs	–	–	(3,194)	–
Interest Paid	–	(11,599)	(1,368)	–
Net Cash Flows from Capital and Related Financing Activities	$ (335)	$ 27,303	$ (3,660)	$ –
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments	$ 322,057	$ 21,391	$ 3,021	$ 113,267
Purchase of Investments	(275,929)	(25,199)	(6,836)	(114,043)
Investment Earnings	40,171	1,836	2,522	3,507
Net Cash Flows from Investing Activities	$ 86,299	$ (2,172)	$ (1,293)	$ 2,731
Net Increase (Decrease) in Cash and Cash Equivalents	$ (68,448)	$ (4,064)	$ 2,319	$ 12,978
Cash and Cash Equivalents, July 1	513,156	35,982	3,123	28,726
Cash and Cash Equivalents, June 30	$ 444,708	$ 31,918	$ 5,442	$ 41,704

PUBLIC FACILITIES AUTHORITY	STATE LOTTERY	COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES	MINNESOTA CORRECTIONAL INDUSTRIES	CHEMICAL DEPENDENCY TREATMENT	ENTERPRISE ACTIVITIES	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
$ 3,021	$ 56,215	$ 4,014	$ (5,449)	$ (252)	$ 395	$ 71,762	$ 77,767
$ 27	$ 1,078	$ 476	$ 417	$ –	$ 117	$ 6,154	$ 5,303
221	–	–	–	–	–	3,728	3,349
(10,670)	–	–	–	–	–	(50,924)	(55,031)
18,237	60	–	–	–	–	169,880	175,607
1,172	–	5,942	–	–	–	237,107	200,800
(54,657)	–	(7,390)	–	–	–	(342,438)	(275,734)
–	–	(635)	–	–	–	4,645	4,243
–	–	–	–	–	–	58,257	42,536
–	–	–	–	–	–	(41,532)	(45,606)
–	(4,611)	(6)	(500)	(508)	10	(2,959)	(4,568)
–	802	(1)	735	–	9	650	(9,430)
(879)	(87)	(56)	(22)	–	–	(138)	(471)
30	763	353	208	830	165	2,643	3,614
–	(115)	99	–	–	59	(655)	(530)
(52)	118	(30)	146	(1,599)	2	(1,376)	46
$ (46,571)	$ (1,992)	$ (1,248)	$ 984	$ (1,477)	$ 362	$ 43,042	$ 44,128
$ (43,550)	$ 54,223	$ 2,766	$ (4,465)	$ (1,729)	$ 757	$ 114,804	$ 121,895
$ –	$ –	$ 736	$ –	$ –	$ –	$ 80,960	$ 64,268
–	–	(1,840)	–	–	–	(90,533)	(72,962)
–	–	39	4,924	–	–	20,185	18,902
–	(53,830)	(654)	–	–	–	(54,522)	(57,202)
–	–	–	–	–	(300)	(300)	–
37,060	–	–	341	–	15	37,416	29,106
–	–	–	–	–	(33)	(33)	(24)
–	–	–	–	–	–	257,066	506,732
(17,280)	–	–	–	–	–	(392,073)	(313,865)
(43)	–	–	–	–	–	(3,430)	(4,935)
(16,642)	(60)	–	–	–	–	(175,193)	(158,431)
$ 3,095	$ (53,890)	$ (1,719)	$ 5,265	$ –	$ (318)	$ (320,457)	$ 11,589
$ (12)	$ (208)	$ (56)	$ (637)	$ –	$ (128)	$ (13,683)	$ (14,957)
–	8	–	15	–	23	54	58
–	–	–	–	–	(15)	(15)	–
–	–	–	–	–	–	7,050	6,322
–	–	–	–	–	–	81,719	49,136
–	–	(40)	–	–	–	(36,706)	(22,654)
–	–	–	–	–	–	(3,194)	–
–	–	(102)	–	–	–	(13,069)	(13,154)
$ (12)	$ (200)	$ (198)	$ (622)	$ –	$ (120)	$ 22,156	$ 4,731
$ 91,296	$ 15,501	$ 2,254	$ –	$ –	$ –	$ 568,787	$ 750,343
(66,538)	(15,732)	–	–	–	–	(504,277)	(664,879)
8,933	921	339	94	68	–	58,191	58,942
$ 33,691	$ 690	$ 2,593	$ 94	$ 68	$ –	$ 122,701	$ (45,554)
$ (6,776)	$ 823	$ 3,442	$ 272	$ (1,661)	$ 319	$ (60,796)	$ 92,661
16,500	3,950	9,273	1,280	2,951	1,137	616,078	523,417
$ 9,724	$ 4,773	$ 12,715	$ 1,552	$ 1,290	$ 1,456	$ 555,282	$ 616,078

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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one state agency to other state agencies on a cost-reimbursement basis. Descriptions of individual funds in this category are presented below.

The *Intertechnologies Fund* accounts for the operation of statewide communication and information systems.

The *Central Stores Fund* accounts for the operation of centralized supplies purchasing, storage and distribution.

The *State Printer Fund* accounts for the operation of print shops.

The *Central Motor Pool Fund* accounts for the operation of a fleet of passenger vehicles and the state vehicle maintenance garage.

The *Plant Management Fund* accounts for the cost of maintenance and operation of state owned buildings and grounds in the capitol complex.

The *Master Lease Fund* accounts for debt issued to finance major purchases of equipment by other internal service funds.

The *Employee Insurance Fund* accounts for employee health and life insurance premiums and makes payments based on insurance benefits provided to employees.

The *Risk Management Fund* accounts for the providing of liability insurance, primarily automobile, to state agencies.

The *Central Services Fund* accounts for miscellaneous centralized support services provided to state agencies.

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	INTER-TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	PLANT MANAGEMENT
ASSETS					
Cash and Cash Equivalents	$ 15,296	$ 106	$ 782	$ 182	$ 3,239
Investments	–	–	–	–	–
Accounts Receivable	8,253	494	700	860	1,365
Interfund Receivables	77	–	–	–	–
Accrued Investment/Interest Income	–	–	–	–	–
Inventories	–	533	212	29	211
Deferred Costs	15	–	–	–	–
Financing Leases Receivable	87	–	–	–	–
Advances to Other Funds	–	–	–	–	–
Fixed Assets (Net)	12,754	85	307	8,440	1,402
Total Assets	$ 36,482	$ 1,218	$ 2,001	$ 9,491	$ 6,217
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	$ 5,090	$ 372	$ 291	$ 163	$ 735
Interfund Payables	–	–	–	397	–
Accrued Interest Payable	97	–	–	29	1
Deferred Revenue	–	–	–	–	23
Loans Payable	19,083	–	–	6,644	139
Instalment Purchases Payable	–	–	58	–	–
Revenue Bonds Payable	240	–	–	–	–
Compensated Absences Payable	1,057	48	109	86	513
Advances from Other Funds	–	–	19	1,588	–
Total Liabilities	$ 25,567	$ 420	$ 477	$ 8,857	$ 1,411
Fund Equity:					
Contributed Capital	$ 2,348	$ 691	$ 1,432	$ 502	$ 653
Retained Earnings:					
Reserved for Claims	$ –	$ –	$ –	$ –	$ –
Unreserved	8,567	107	92	132	4,153
Total Retained Earnings	$ 8,567	$ 107	$ 92	$ 132	$ 4,153
Total Fund Equity	$ 10,915	$ 798	$ 1,524	$ 634	$ 4,806
Total Liabilities and Fund Equity	$ 36,482	$ 1,218	$ 2,001	$ 9,491	$ 6,217

MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
$ 253	$ 75,013	$ 3,230	$ 512	$ 98,593	$ 96,824
225	–	–	–	225	823
–	8,667	23	412	20,774	19,692
–	–	–	–	77	2
1	–	–	–	1	3
–	–	–	29	1,014	1,008
–	–	350	–	365	326
–	–	–	–	87	168
–	–	–	–	–	900
–	117	5	116	23,226	22,751
$ 479	$ 83,797	$ 3,608	$ 1,069	$ 144,362	$ 142,497
$ 10	$ 4,268	$ 2,777	$ 193	$ 13,899	$ 13,339
–	944	16	–	1,357	2,195
2	–	–	–	129	151
–	–	349	–	372	199
–	–	–	81	25,947	22,935
–	–	–	–	58	852
225	–	–	–	465	2,635
–	67	4	150	1,984	1,959
–	–	–	32	1,639	6,219
$ 237	$ 5,279	$ 3,146	$ 456	$ 45,850	$ 50,484
$ –	$ –	$ –	$ 419	$ 6,045	$ 6,046
$ –	$ 78,518	$ –	$ –	$ 78,518	$ 73,524
242	–	462	194	13,949	12,443
$ 242	$ 78,518	$ 462	$ 194	$ 92,467	$ 85,967
$ 242	$ 78,518	$ 462	$ 613	$ 98,512	$ 92,013
$ 479	$ 83,797	$ 3,608	$ 1,069	$ 144,362	$ 142,497

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	INTER-TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	PLANT MANGEMENT
Operating Revenues:					
Net Sales	$ –	$ 4,902	$ 5,342	$ –	$ 739
Rental and Service Fees	46,697	–	17	5,186	21,411
Insurance Premiums	–	–	–	–	–
Other Income	74	–	–	106	369
Total Operating Revenues	$ 46,771	$ 4,902	$ 5,359	$ 5,292	$ 22,519
Less Cost of Goods Sold	–	3,857	4,511	–	–
Gross Margin	$ 46,771	$ 1,045	$ 848	$ 5,292	$ 22,519
Operating Expenses:					
Interest and Financing Costs	$ –	$ –	$ –	$ –	$ –
Purchased Services	21,698	298	177	477	6,818
Salaries and Fringe Benefits	10,599	534	494	546	6,681
Claims	–	–	–	–	–
Depreciation	8,722	21	29	2,661	135
Amortization	40	4	2	–	42
Supplies and Materials	900	9	17	1,270	1,051
Indirect Costs	689	115	196	176	369
Other Expenses	–	–	–	–	1
Total Operating Expenses	$ 42,648	$ 981	$ 915	$ 5,130	$ 15,097
Operating Income (Loss)	$ 4,123	$ 64	$ (67)	$ 162	$ 7,422
Nonoperating Revenues (Expenses):					
Investment Income	$ 664	$ –	$ (1)	$ 264	$ 5
Interest and Financing Costs	(1,274)	–	(12)	(485)	(13)
Gain (Loss) on Sale of Fixed Assets	(102)	–	(3)	(9)	–
Other Nonoperating Expenses	(2,166)	–	–	(4)	–
Net Nonoperating Revenues (Expenses)	$ (2,878)	$ –	$ (16)	$ (234)	$ (8)
Income (Loss) Before Operating Transfers	$ 1,245	$ 64	$ (83)	$ (72)	$ 7,414
Operating Transfers – In	–	–	–	–	–
Operating Transfers – Out	–	–	–	(45)	(6,980)
Net Income (Loss)	$ 1,245	$ 64	$ (83)	$ (117)	$ 434
Depreciation on Fixed Assets Acquired with Contributed Capital	–	–	–	–	–
Increase (Decrease) in Retained Earnings	$ 1,245	$ 64	$ (83)	$ (117)	$ 434
Retained Earnings, July 1, as Reported	$ 8,728	$ 43	$ 175	$ 249	$ 3,719
Changes in Reporting Entity	(1,406)	–	–	–	–
Retained Earnings, July 1, as Restated	$ 7,322	$ 43	$ 175	$ 249	$ 3,719
Retained Earnings, June 30	$ 8,567	$ 107	$ 92	$ 132	$ 4,153

MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
$ –	$ –	$ –	$ 3,627	$ 14,610	$ 21,977
–	–	–	–	73,311	61,471
–	191,991	2,209	–	194,200	189,789
–	1,917	–	–	2,466	575
$ –	$ 193,908	$ 2,209	$ 3,627	$ 284,587	$ 273,812
–	–	–	76	8,444	17,058
$ –	$ 193,908	$ 2,209	$ 3,551	$ 276,143	$ 256,754
$ 46	$ –	$ –	$ –	$ 46	$ 80
1	86,143	934	908	117,454	97,243
–	4,163	57	2,079	22,153	21,590
–	103,597	1,463	–	105,060	102,029
–	66	3	159	11,796	16,366
–	–	–	–	88	185
–	80	3	335	3,665	2,942
–	156	14	61	1,776	1,804
–	316	–	36	353	516
$ 47	$ 191,521	$ 2,474	$ 3,578	$ 262,391	$ 242,755
$ (47)	$ 2,387	$ (265)	$ (27)	$ 13,752	$ 13,999
$ 50	$ 4,323	$ 193	$ 4	$ 5,502	$ 6,867
–	(69)	–	(6)	(1,859)	(2,173)
–	–	–	60	(54)	(144)
–	–	–	–	(2,170)	–
$ 50	$ 4,254	$ 193	$ 58	$ 1,419	$ 4,550
$ 3	$ 6,641	$ (72)	$ 31	$ 15,171	$ 18,549
–	–	–	–	–	1,940
–	(1,647)	–	–	(8,672)	(5,632)
$ 3	$ 4,994	$ (72)	$ 31	$ 6,499	$ 14,857
–	–	–	1	1	2
$ 3	$ 4,994	$ (72)	$ 32	$ 6,500	$ 14,859
$ 239	$ 73,524	$ 534	$ 162	$ 87,373	$ 71,108
–	–	–	–	(1,406)	–
$ 239	$ 73,524	$ 534	$ 162	$ 85,967	$ 71,108
$ 242	$ 78,518	$ 462	$ 194	$ 92,467	$ 85,967

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	INTER-TECHNOLOGIES	CENTRAL STORES	STATE PRINTER	CENTRAL MOTOR POOL	PLANT MANAGEMENT
Cash Flows from Operating Activities:					
Operating Income (Loss)	$ 4,123	$ 64	$ (67)	$ 162	$ 7,422
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:					
Depreciation	$ 8,722	$ 21	$ 167	$ 2,661	$ 135
Amortization	40	4	2	–	42
Interest and Financing Costs	–	–	–	–	–
Change in Assets and Liabilities:					
Accounts Receivable	(2,984)	(263)	118	5	2,940
Inventories	–	16	56	1	(13)
Other Assets	–	–	(68)	–	–
Accounts Payable	3,222	98	(55)	(34)	(451)
Compensated Absences Payable	(5)	11	(6)	5	2
Deferred Revenues	–	–	–	–	14
Other Liabilities	–	–	–	–	–
Net Reconciling Items to be Added (Deducted) from Operating Income	$ 8,995	$ (113)	$ 214	$ 2,638	$ 2,669
Net Cash Flows from Operating Activities	$ 13,118	$ (49)	$ 147	$ 2,800	$ 10,091
Cash Flows from Noncapital Financing Activities:					
Other Non-Operating Expenses	$ (2,166)	$ –	$ –	$ –	$ –
Transfers-In	–	–	–	–	–
Transfers-Out	–	–	–	(45)	(8,484)
Advances from Other Funds	–	–	–	–	–
Repayments of Advances from Other Funds	(4,130)	–	–	–	–
Advances to Other Funds	–	–	–	–	–
Interest Paid	–	–	–	–	–
Net Cash Flows from Noncapital Financing Activities	$ (6,296)	$ –	$ –	$ (45)	$ (8,484)
Cash Flows from Capital and Related Financing Activities:					
Investment in Fixed Assets	$ (8,312)	$ –	$ (22)	$ (3,542)	$ (188)
Proceeds from the Sale of Fixed Assets	18	–	4	563	2
Advances from Other Funds	–	–	–	4,085	–
Repayments of Advances from Other Funds	–	–	(9)	(3,905)	–
Proceeds from Loans	6,987	–	–	3,539	100
Repayment of Loan Principal	(5,288)	–	–	(3,358)	(22)
Collection of Financing Leases Receivable	31	–	–	–	–
Repayment of Installment Contracts	(773)	–	(22)	–	–
Repayment of Bond Principal	(1,078)	–	(81)	(367)	(57)
Interest Paid	(1,311)	–	(12)	(494)	(13)
Net Cash Flows from Capital and Related Financing Activities	$ (9,726)	$ –	$ (142)	$ (3,479)	$ (178)
Cash Flows from Investing Activities:					
Proceeds from Sales and Maturities of Investments	$ –	$ –	$ –	$ –	$ –
Investment Earnings	654	–	–	264	5
Net Cash Flows from Investing Activities	$ 654	$ –	$ –	$ 264	$ 5
Net Increase (Decrease) in Cash and Cash Equivalents	$ (2,250)	$ (49)	$ 5	$ (460)	$ 1,434
Cash and Cash Equivalents, July 1, as Reported	$ 12,365	$ 155	$ 777	$ 622	$ 1,805
Changes in Reporting Entity	5,181	–	–	–	–
Cash and Cash Equivalents, July 1, as Restated	$ 17,546	$ 155	$ 777	$ 622	$ 1,805
Cash and Cash Equivalents, June 30	$ 15,296	$ 106	$ 782	$ 162	$ 3,239

MASTER LEASE	EMPLOYEE INSURANCE	RISK MANAGEMENT	CENTRAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
$ (47)	$ 2,387	$ (265)	$ (27)	$ 13,752	$ 13,999
$ –	$ 65	$ 3	$ 159	$ 11,933	$ 16,498
–	–	–	–	88	185
46	–	–	–	46	80
–	(970)	37	47	(1,070)	(2,634)
–	–	–	(1)	59	31
(3)	–	(67)	–	(138)	(83)
5	(1,588)	(497)	(39)	661	(2,422)
–	6	–	12	25	73
–	–	160	–	174	(67)
–	944	15	(1)	958	(13)
$ 48	$ (1,543)	$ (349)	$ 177	$ 12,736	$ 11,648
$ 1	$ 844	$ (614)	$ 150	$ 26,488	$ 25,647
$ –	$ –	$ –	$ –	$ (2,166)	$ –
–	–	–	–	–	1,940
–	(1,647)	–	–	(10,176)	(4,131)
–	–	–	53	53	4,384
–	–	–	(68)	(4,198)	(365)
–	–	–	–	–	(484)
–	(69)	–	–	(69)	(45)
$ –	$ (1,716)	$ –	$ (15)	$ (16,556)	$ 1,299
$ –	$ (82)	$ –	$ (98)	$ (12,244)	$ (9,036)
–	–	–	198	785	929
–	–	–	–	4,085	3,200
–	–	–	–	(3,914)	(2,747)
–	–	–	–	10,626	7,504
–	–	–	–	(8,668)	(6,891)
–	–	–	–	31	87
–	–	–	–	(795)	(3,239)
(665)	–	–	(28)	(2,276)	(2,910)
(46)	–	–	(7)	(1,883)	(2,240)
$ (711)	$ (82)	$ –	$ 65	$ (14,253)	$ (15,343)
$ 600	$ –	$ –	$ –	$ 600	$ 449
47	4,323	193	4	5,490	6,875
$ 647	$ 4,323	$ 193	$ 4	$ 6,090	$ 7,324
$ (63)	$ 3,369	$ (421)	$ 204	$ 1,769	$ 18,927
$ 316	$ 71,644	$ 3,651	$ 308	$ 91,643	$ 77,897
–	–	–	–	5,181	–
$ 316	$ 71,644	$ 3,651	$ 308	$ 96,824	$ 77,897
$ 253	$ 75,013	$ 3,230	$ 512	$ 98,593	$ 96,824

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FIDUCIARY FUNDS

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

PENSION TRUST FUNDS are funds administered by independent boards for which the state performs a fiduciary role. These funds are categorized by function into three types.

Defined Benefit Pension Funds include those retirement funds for which the participant's retirement annuity is based on a statutory formula utilizing such factors as age, average salary, length of service and others. Individual funds in this category include those described below.

The *Public Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible employees of various local units of government.

The *Police and Fire Fund* includes resources accumulated to pay present and future retirement annuities to eligible police officers and fire fighters.

The *Police and Fire Consolidation Fund* includes resources accumulated to pay present and future retirement annuities to police officers and firefighters belonging to local relief associations, that merged with the Public Employees Retirement Association.

The *Teachers Retirement Fund* includes resources accumulated to pay present and future retirement annuities for members of both the basic and coordinated teachers retirement plans.

The *State Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to state and University of Minnesota employees not covered by other pension funds.

The *State Patrol Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible state patrol officers, conservation officers and crime bureau personnel.

The *Correctional Employees Retirement Fund* includes resources accumulated to pay present and future retirement annuities to state employees who have direct responsibility for inmates at Minnesota correctional facilities.

The *Judicial Retirement Fund* includes resources accumulated to pay present and future retirement annuities to eligible district, municipal, county and probate court judges, supreme court justices and various court referees.

The *Elective State Officers Fund* includes resources accumulated to pay present and future retirement annuities for the state's constitutional officers.

The *Legislative Retirement Fund* includes resources accumulated to pay present and future retirement annuities for members of the state legislature.

Defined Contribution Funds include those retirement funds for which the amount of the participant's retirement annuity is primarily determined by the employer/employee contributions. Other factors such as age and length of service may provide minimum eligibility qualifications. Individual funds in this category are described below.

The *Unclassified Employees Retirement Fund* includes the aggregate of unclassified employee share accounts which are either refunded or used to purchase a retirement annuity upon termination of service.

The *College Supplemental Retirement Fund* includes the aggregate of share accounts derived from contributions received from eligible community college employees, with matching state contributions, administered by the Community College System.

The *State University Supplemental Retirement Fund* includes the aggregate of share accounts derived from contributions received from eligible state university employees, with matching state contributions, administered by the State University System.

Investment Trust Funds are investment funds which serve as investment vehicles for the participating funds. They are administered by the State Board of Investment in accordance with the applicable statutes defining the participating funds, the types of investments which may be purchased and the distribution of earnings or losses.

The *Minnesota Supplemental Investment Fund* provides an investment vehicle for the Defined Contribution Funds and for some locally administered pension plans.

The *Minnesota Post-Retirement Investment Fund* serves as an investment vehicle for the Defined Benefit Funds and as such invests their reserves to produce income for the payment of retirement benefits.

NONEXPENDABLE TRUST FUNDS are funds whose principal may not be expended.

The *Permanent School Fund* is a constitutionally established trust fund which receives revenue from investments and the sale of state land and timber. The investment earnings are transferred to the Endowment School Fund for distribution to school districts.

The *Environment and Natural Resources Nonexpendable Trust Fund* receives 40 percent of the net lottery proceeds of the State Lottery Fund. The state constitutional amendment establishing the fund permits a portion of these proceeds, until fiscal year 1997, to be used for the purpose of managing the state's environmental and natural resources; after that only the investment earnings of the fund are available for these purposes. Available proceeds and earnings are transferred to the Environment and Natural Resources Expendable Trust Fund.

EXPENDABLE TRUST FUNDS are funds whose resources, including principal and interest, may be expended. Descriptions of individual funds in this category follow.

The *Municipal State-Aid Street Fund* receives 8.95 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to municipalities for improvement of streets.

The *County State-Aid Highway Fund* receives 30.75 percent of the revenue received by the Highway User Tax Distribution Fund primarily for distribution to counties for improvement of county roads.

The *Endowment School Fund* receives revenue from the investments of the Permanent School Fund and distributes it to school districts.

The *Endowment Fund* receives gifts, donations and endowments which may be expended only for those purposes specified by the donors.

The *Environment and Natural Resources Expendable Trust Fund* receives the investment earnings and a portion of the net lottery proceeds deposited in the Environment and Natural Resources Nonexpendable Trust Fund to in accordance with a plan approved by the Minnesota Future Resource Commission.

The *Northeast Minnesota Economic Protection Fund* receives distributions from taconite production taxes to be held in trust or expended only in economic emergency for the purposes of rehabilitation and diversification of industry in the area largely dependent on the taconite mining industry.

The *Unemployment Compensation Fund* receives unemployment taxes collected from employers and pays unemployment benefits to eligible individuals.

AGENCY FUNDS are funds which hold monies in an agency capacity for various governmental units, individuals or funds. Individual fund descriptions follow.

The *Social Welfare Fund* includes funds held for patients and inmates in state institutions.

The *Deferred Compensation Fund* includes the aggregate of voluntary employee payroll deductions which defer income and are repaid in accordance with income tax code restrictions.

The *Taxes Clearing Fund* is used to distribute receipts as specified by statute.

The *Disbursement Clearing Fund* is a clearing fund used to account for state warrants issued and redeemed.

The *Miscellaneous Agency Fund* includes the amounts held in trust by the state for other governmental units, individuals or funds.

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

ASSETS	PENSION TRUST	NON-EXPENDABLE TRUST	EXPENDABLE TRUST	AGENCY	LESS ELIMINATIONS	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
Cash and Cash Equivalents	$ 1,075,453	$ 41,144	$ 756,352	$ 195,861	$ –	$ 2,068,810	$ 2,029,105
Investments	16,347,503	404,858	2,818	611,618	–	17,366,797	15,566,788
Accounts Receivable	862,536	6,206	23,356	4,204	–	896,302	99,081
Interfund Receivables	28,115	2,725	31,530	–	–	62,370	54,497
Accrued Investment/Interest Income	74,888	7,473	132	–	–	82,493	116,025
Federal Aid Receivable	–	–	7,374	–	–	7,374	3,377
Inventories	–	–	5,660	–	–	5,660	3,573
Deferred Costs	5	–	–	109	–	114	89
Loans/Notes Receivable	–	–	7,426	–	–	7,426	9,105
Equity in Investment Trust Funds	–	–	–	229,994	229,994	–	–
Fixed Assets (Net)	660	15,430	–	–	–	16,090	16,108
Other Assets	29	–	–	–	–	29	28
Total Assets	$ 18,389,189	$ 477,836	$ 834,648	$ 1,041,786	$ 229,994	$ 20,513,465	$ 17,897,776
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants Payable	$ –	$ –	$ –	$ 165,227	$ –	$ 165,227	$ 156,303
Accounts Payable	557,320	28	22,035	1,849	–	581,232	38,650
Interfund Payables	22,328	25,978	–	329	–	48,635	42,467
Advances from Other Funds	–	–	30	525	–	555	–
Payable to Other Governmental Units	–	–	–	5,986	–	5,986	6,615
Deferred Revenue	10	–	2,939	–	–	2,949	2,309
Compensated Absences Payable	703	–	111	–	–	814	759
Funds Held in Trust	–	–	308	867,870	229,994	638,184	534,160
Total Liabilities	$ 580,361	$ 26,006	$ 25,423	$ 1,041,786	$ 229,994	$ 1,443,582	$ 781,263
Fund Balances:							
Reserved Fund Balances:							
Reserved for Encumbrances	$ –	$ –	$ 17,472	$ –	$ –	$ 17,472	$ 16,309
Reserved for Inventory	–	–	5,660	–	–	5,660	3,573
Reserved for Long-Term Receivables	–	–	17,683	–	–	17,683	44,074
Reserved for Local Governments	–	–	480,408	–	–	480,408	517,971
Reserved for Trust Principal	–	451,830	–	–	–	451,830	426,238
Reserved for Pension Benefits	17,808,828	–	–	–	–	17,808,828	15,790,621
Reserved for Other	–	–	2,134	–	–	2,134	3
Total Reserved Fund Balances	$ 17,808,828	$ 451,830	$ 523,357	$ –	$ –	$ 18,784,015	$ 16,798,789
Unreserved Fund Balances:							
Designated for Fund Purposes	–	–	285,868	–	–	285,868	317,724
Total Fund Balances	$ 17,808,828	$ 451,830	$ 809,225	$ –	$ –	$ 19,069,883	$ 17,116,513
Total Liabilities and Fund Balances	$ 18,389,189	$ 477,836	$ 834,648	$ 1,041,786	$ 229,994	$ 20,513,465	$ 17,897,776

PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
ASSETS						
Cash and Cash Equivalents	$ 231,424	$ 10,567	$ 833,462	$ –	$ 1,075,453	$ 953,413
Investments	8,654,834	22,452	7,670,217	–	16,347,503	14,692,190
Accounts Receivable	39,276	321	822,939	–	862,536	37,174
Interfund Receivables	7,885	70	20,160	–	28,115	24,667
Accrued Investment Income	1,231	–	73,657	–	74,888	108,790
Prepaid Expenses	5	–	–	–	5	12
Equity in Investment Trust Funds	7,049,029	256,198	–	7,305,227	–	–
Fixed Assets (Net)	660	–	–	–	660	671
Other Assets	29	–	–	–	29	28
Total Assets	$ 15,984,373	$ 289,608	$ 9,420,435	$ 7,305,227	$ 18,389,189	$ 15,816,945
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 5,384	$ 958	$ 550,978	$ –	$ 557,320	$ 6,395
Interfund Payables	20,770	177	1,381	–	22,328	19,264
Deferred Revenue	10	–	–	–	10	10
Compensated Absences Payable	703	–	–	–	703	655
Total Liabilities	$ 26,867	$ 1,135	$ 552,359	$ –	$ 580,361	$ 26,324
Fund Balances:						
Reserved for Pension Benefits	$ 15,957,506	$ 288,473	$ 8,868,076	$ 7,305,227	$ 17,808,828	$ 15,790,621
Total Fund Balances	$ 15,957,506	$ 288,473	$ 8,868,076	$ 7,305,227	$ 17,808,828	$ 15,790,621
Total Liabilities and Fund Balances	$ 15,984,373	$ 289,608	$ 9,420,435	$ 7,305,227	$ 18,389,189	$ 15,816,945

PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	DEFINED BENEFIT	DEFINED CONTRIBUTION	INVESTMENT TRUST	LESS ELIMINATIONS	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
Operating Revenues:						
Contributions	$ 685,435	$ –	$ –	$ –	$ 685,435	$ 660,510
Investment Income	959,931	856	506,395	–	1,467,182	1,664,347
Distributed Investment Trust Fund Income	572,313	–	–	572,313	–	–
Realized/Unrealized Gain on Investment Trust Fund Equity	–	31,774	–	31,774	–	–
Net Realized Gains (Losses)	–	–	399,155	–	399,155	33,573
Increase (Decrease) in Unrealized Appreciation	–	–	42,891	–	42,891	436,062
Other Income	5,016	137	–	–	5,153	5,294
Total Operating Revenues	$ 2,222,695	$ 32,767	$ 948,441	$ 604,087	$ 2,599,816	$ 2,799,786
Operating Expenses:						
Annuity Payments	$ 658,421	$ –	$ –	$ –	$ 658,421	$ 590,936
Refunded Contributions	26,224	–	–	–	26,224	26,338
Interest and Financing Costs	3,219	–	–	–	3,219	2,632
Purchased Services	2,433	185	–	–	2,618	2,515
Investment Management Fees	12,300	–	2,312	–	14,612	12,663
Salaries and Fringe Benefits	6,117	228	–	–	6,345	5,992
Depreciation	208	–	–	–	208	207
Supplies and Materials	193	16	–	–	209	126
Indirect Costs	81	4	–	–	85	109
Other Expenses	403	–	–	–	403	531
Total Operating Expenses	$ 709,599	$ 433	$ 2,312	$ –	$ 712,344	$ 642,049
Operating Income (Loss)	$ 1,513,096	$ 32,334	$ 946,129	$ 604,087	$ 1,887,472	$ 2,157,737
Nonoperating Revenues (Expenses):						
Participant Contributions	$ –	$ 24,575	$ 950,675	$ 919,068	$ 56,182	$ 37,330
Local Association Mergers	160,205	–	–	–	160,205	17,129
Other Nonoperating Revenues	–	346	–	–	346	–
Participant Withdrawals	–	(12,190)	(699,079)	(627,952)	(83,317)	(34,487)
Other Nonoperating Expenses	(2,681)	–	–	–	(2,681)	–
Net Nonoperating Revenues (Expenses)	$ 157,524	$ 12,731	$ 251,596	$ 291,116	$ 130,735	$ 19,972
Income (Loss) Before Operating Transfers	$ 1,670,620	$ 45,065	$ 1,197,725	$ 895,203	$ 2,018,207	$ 2,177,709
Operating Transfers – In	1,959	–	–	–	1,959	1,605
Operating Transfers – Out	(39)	(1,920)	–	–	(1,959)	(3,702)
Net Income (Loss)	$ 1,672,540	$ 43,145	$ 1,197,725	$ 895,203	$ 2,018,207	$ 2,175,612
Fund Balances, July 1, as Reported	$ 14,284,966	$ 245,328	$ 7,670,351	$ 6,410,024	$ 15,790,621	$ 13,609,476
Changes in Reporting Entity	–	–	–	–	–	5,533
Fund Balances, July 1, as Restated	$ 14,284,966	$ 245,328	$ 7,670,351	$ 6,410,024	$ 15,790,621	$ 13,615,009
Fund Balances, June 30	$ 15,957,506	$ 288,473	$ 8,868,076	$ 7,305,227	$ 17,808,828	$ 15,790,621

STATE OF MINNESOTA

DEFINED BENEFIT PENSION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	POLICE AND FIRE CONSOLIDATION	TEACHERS RETIREMENT
ASSETS				
Cash and Cash Equivalents	$ 66,593	$ 27,803	$ 7,216	$ [illegible],151
Investments	1,946,208	804,431	158,263	[illegible]
Accounts Receivable	382	154	466	32,718
Interfund Receivables	332	989	4	–
Accrued Investment Income	–	–	–	1,081
Prepaid Expenses	–	–	–	5
Equity in Investment Trust Funds	2,299,318	257,993	192,882	3,038,859
Fixed Assets (Net)	150	–	–	336
Other Assets	29	–	–	–
Total Assets	$ 4,313,012	$ 1,091,370	$ 358,831	$ 6,937,039
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 1,221	$ 257	$ 54	$ 3,140
Interfund Payables	7,365	256	316	10,257
Deferred Revenue	–	–	–	–
Compensated Absences Payable	263	–	–	228
Total Liabilities	$ 8,849	$ 513	$ 370	$ 13,625
Fund Balances:				
Reserved for Pension Benefits	$ 4,304,163	$ 1,090,857	$ 358,461	$ 6,923,414
Total Fund Balances	$ 4,304,163	$ 1,090,857	$ 358,461	$ 6,923,414
Total Liabilities and Fund Balances	$ 4,313,012	$ 1,091,370	$ 358,831	$ 6,937,039

MINNESOTA STATE RETIREMENT SYSTEM						TOTALS	
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	JUNE 30, 1993	JUNE 30, 1992
$ 59,022	$ 4,453	$ 3,670	$ 1,516	$ –	$ –	$ 231,424	$ 79,451
1,719,084	127,632	89,350	6,977	–	–	8,654,834	7,999,991
4,865	350	266	74	1	–	39,276	36,930
1,089	–	–	–	323	5,148	7,885	7,973
132	10	7	1	–	–	1,231	166
–	–	–	–	–	–	5	12
1,062,677	108,664	40,027	36,155	–	12,454	7,049,029	6,182,921
174	–	–	–	–	–	660	671
–	–	–	–	–	–	29	28
$ 2,847,043	$ 241,109	$ 133,320	$ 44,723	$ 324	$ 17,602	$ 15,984,373	$ 14,308,163
$ 644	$ 39	$ 27	$ 2	$ –	$ –	$ 5,384	$ 5,224
70	996	469	605	2	434	20,770	17,308
–	–	–	10	–	–	10	10
212	–	–	–	–	–	703	655
$ 926	$ 1,035	$ 496	$ 617	$ 2	$ 434	$ 26,867	$ 23,197
$ 2,846,117	$ 240,074	$ 132,824	$ 44,106	$ 322	$ 17,168	$ 15,957,506	$ 14,284,966
$ 2,846,117	$ 240,074	$ 132,824	$ 44,106	$ 322	$ 17,168	$ 15,957,506	$ 14,284,966
$ 2,847,043	$ 241,109	$ 133,320	$ 44,723	$ 324	$ 17,602	$ 15,984,373	$ 14,308,163

DEFINED BENEFIT PENSION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION			TEACHERS RETIREMENT ASSOCIATION
	PUBLIC EMPLOYEES RETIREMENT	POLICE AND FIRE	POLICE AND FIRE CONSOLIDATION	TEACHERS RETIREMENT
Operating Revenues:				
Employer Contributions	$ 113,184	$ 30,434	$ 7,679	$ 168,071
Employee Contributions	106,358	20,406	1,619	94,709
Investment Income	205,675	81,482	18,890	453,109
Distributed Investment Trust Fund Income	198,873	21,927	7,819	234,962
Other Income	2,431	128	97	2,347
Total Operating Revenues	$ 626,521	$ 154,377	$ 36,104	$ 953,198
Operating Expenses:				
Annuity Payments	$ 236,420	$ 24,619	$ 15,004	$ 256,630
Refunded Contributions	11,779	1,004	64	4,750
Interest and Financing Costs	592	66	1,279	192
Purchased Services	946	70	11	881
Investment Management Fees	2,712	1,108	171	5,579
Salaries and Fringe Benefits	2,467	182	29	2,099
Depreciation	81	–	–	79
Supplies and Materials	87	6	2	43
Indirect Costs	28	2	–	22
Other Expenses	369	30	4	–
Total Operating Expenses	$ 255,481	$ 27,087	$ 16,564	$ 270,275
Operating Income (Loss)	$ 371,040	$ 127,290	$ 19,540	$ 682,923
Nonoperating Revenues (Expenses):				
Local Association Mergers	$ –	$ –	$ 160,205	$ –
Other Nonoperating Expenses	–	–	–	–
Total Nonoperating Revenues (Expenses)	$ –	$ –	$ 160,205	$ –
Income (Loss) Before Operating Transfers	$ 371,040	$ 127,290	$ 179,745	$ 682,923
Operating Transfers – In	–	–	–	–
Operating Transfers – Out	–	–	–	–
Net Income (Loss)	$ 371,040	$ 127,290	$ 179,745	$ 682,923
Fund Balances, July 1	3,933,123	963,567	178,716	6,240,491
Fund Balances, June 30	$ 4,304,163	$ 1,090,857	$ 358,461	$ 6,923,414

MINNESOTA STATE RETIREMENT SYSTEM						TOTALS FOR THE YEAR ENDED	
STATE EMPLOYEES RETIREMENT	STATE PATROL RETIREMENT	CORRECTIONAL EMPLOYEES RETIREMENT	JUDICIAL RETIREMENT	ELECTIVE STATE OFFICERS	LEGISLATIVE RETIREMENT	JUNE 30, 1993	JUNE 30, 1992
$ 58,981	$ 5,288	$ 3,217	$ 6,278	$ 88	$ 2,283	$ 395,503	$ 381,585
59,133	3,040	2,554	1,409	45	659	289,932	278,925
177,459	13,120	9,241	955	–	–	959,931	1,119,530
91,946	9,475	3,439	2,898	–	974	572,313	502,489
3	–	–	10	–	–	5,016	5,294
$ 387,522	$ 30,923	$ 18,451	$ 11,550	$ 133	$ 3,916	$ 2,222,695	$ 2,287,823
$ 104,361	$ 10,253	$ 4,150	$ 5,144	$ 143	$ 1,697	$ 658,421	$ 590,936
8,116	37	296	–	–	178	26,224	26,338
923	85	51	22	–	9	3,219	2,632
403	35	44	26	2	15	2,433	2,396
2,416	177	126	11	–	–	12,300	11,444
1,259	23	40	9	–	9	6,117	5,758
48	–	–	–	–	–	208	207
52	1	2	–	–	–	193	122
25	2	1	1	–	–	81	109
–	–	–	–	–	–	403	531
$ 117,603	$ 10,613	$ 4,710	$ 5,213	$ 145	$ 1,908	$ 709,599	$ 640,473
$ 269,919	$ 20,310	$ 13,741	$ 6,337	$ (12)	$ 2,008	$ 1,513,096	$ 1,647,350
$ –	$ –	$ –	$ –	$ –	$ –	$ 160,205	$ 17,129
(2,681)	–	–	–	–	–	(2,681)	–
$ (2,681)	$ –	$ –	$ –	$ –	$ –	$ 157,524	$ 17,129
$ 267,238	$ 20,310	$ 13,741	$ 6,337	$ (12)	$ 2,008	$ 1,670,620	$ 1,664,479
1,959	–	–	–	–	–	1,959	1,605
–	–	(39)	–	–	–	(39)	(2,096)
$ 269,197	$ 20,310	$ 13,702	$ 6,337	$ (12)	$ 2,008	$ 1,672,540	$ 1,663,988
2,576,920	219,764	119,122	37,769	334	15,160	14,284,966	12,620,978
$ 2,846,117	$ 240,074	$ 132,824	$ 44,106	$ 322	$ 17,168	$ 15,957,506	$ 14,284,966

DEFINED CONTRIBUTION FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM UNCLASSIFIED EMPLOYEES RETIREMENT	COMMUNITY COLLEGE SUPPLEMENTAL RETIREMENT	STATE UNIVERSITY SUPPLEMENTAL RETIREMENT	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
ASSETS					
Cash and Cash Equivalents	$ 889	$ 19	$ 9,659	$ 10,567	$ 8,440
Investments	–	7,941	14,445	22,386	10,407
Accounts Receivable	280	41	–	321	244
Pooled Investment Account	–	66	–	66	–
Interfund Receivables	70	–	–	70	49
Equity in Investment Trust Funds	103,137	55,931	97,130	256,198	227,103
Total Assets	$ 104,376	$ 63,998	$ 121,234	$ 289,608	$ 246,243
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 83	$ 757	$ 118	$ 958	$ 868
Interfund Payables	177	–	–	177	47
Total Liabilities	$ 260	$ 757	$ 118	$ 1,135	$ 915
Fund Balances:					
Reserved for Pension Benefits	$ 104,116	$ 63,241	$ 121,116	$ 288,473	$ 245,328
Total Reserved Fund Balances	$ 104,116	$ 63,241	$ 121,116	$ 288,473	$ 245,328
Total Liabilities and Fund Balances	$ 104,376	$ 63,998	$ 121,234	$ 289,608	$ 246,243

DEFINED CONTRIBUTION FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	MINNESOTA STATE RETIREMENT SYSTEM UNCLASSIFIED EMPLOYEES RETIREMENT	COMMUNITY COLLEGE SUPPLEMENTAL RETIREMENT	STATE UNIVERSITY SUPPLEMENTAL RETIREMENT	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	TOTALS FOR THE YEAR ENDED JUNE 30, 1992
Operating Revenues:					
Investment Income	$ 57	$ 320	$ 479	$ 856	$ 369
Realized/Unrealized Gain on Investments in Investment Trust Fund	11,644	9,690	10,440	31,774	25,785
Other Income	89	48	–	137	–
Total Operating Revenues	$ 11,790	$ 10,058	$ 10,919	$ 32,767	$ 26,154
Operating Expenses:					
Purchased Services	$ 49	$ 131	$ 5	$ 185	$ 119
Salaries and Fringe Benefits	110	–	118	228	234
Supplies and Materials	15	1	–	16	4
Indirect Costs	4	–	–	4	–
Total Operating Expenses	$ 178	$ 132	$ 123	$ 433	$ 357
Operating Income (Loss)	$ 11,612	$ 9,926	$ 10,796	$ 32,334	$ 25,797
Nonoperating Revenues (Expenses):					
Employer Contributions	$ 4,163	$ 2,605	$ 6,172	$ 12,940	$ 10,476
Employee Contributions	2,912	2,605	6,118	11,635	9,229
Refunds	(5,597)	(3,381)	(3,212)	(12,190)	(16,874)
Other Nonoperating Revenues	346	–	–	346	–
Net Nonoperating Revenues (Expenses)	$ 1,824	$ 1,829	$ 9,078	$ 12,731	$ 2,831
Income (Loss) Before Operating Transfers	$ 13,436	$ 11,755	$ 19,874	$ 45,065	$ 28,628
Operating Transfers – Out	(1,920)	–	–	(1,920)	(1,606)
Net Income (Loss)	$ 11,516	$ 11,755	$ 19,874	$ 43,145	$ 27,022
Fund Balances, July 1, as Reported	$ 92,600	$ 51,486	$ 101,242	$ 245,328	$ 83,081
Changes in Reporting Entity	–	–	–	–	135,225
Fund Balances, July 1, as Restated	$ 92,600	$ 51,486	$ 101,242	$ 245,328	$ 218,306
Fund Balances, June 30	$ 104,116	$ 63,241	$ 121,116	$ 288,473	$ 245,328

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INVESTMENT TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
ASSETS				
Cash and Cash Equivalents	$ 95,422	$ 738,040	$ 833,462	$ 865,522
Investments	501,530	7,168,687	7,670,217	6,681,792
Security Sales Receivable	–	822,939	822,939	–
Interfund Receivables	–	20,160	20,160	16,645
Accrued Investment Income	1,971	71,686	73,657	108,604
Total Assets	$ 598,923	$ 8,821,512	$ 9,420,435	$ 7,672,563
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 80	$ 712	$ 792	$ 303
Security Purchases Payable	–	550,186	550,186	–
Interfund Payables	–	1,381	1,381	1,909
Total Liabilities	$ 80	$ 552,279	$ 552,359	$ 2,212
Fund Balances:				
Reserved for Pension Benefits	$ 598,843	$ 8,269,233	$ 8,868,076	$ 7,670,351
Total Fund Balances	$ 598,843	$ 8,269,233	$ 8,868,076	$ 7,670,351
Total Liabilities and Fund Balances	$ 598,923	$ 8,821,512	$ 9,420,435	$ 7,672,563

INVESTMENT TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	MINNESOTA SUPPLEMENTAL INVESTMENT	MINNESOTA POST RETIREMENT INVESTMENT	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
Operating Revenues:				
Investment Income	$ 43,297	$ 463,098	$ 506,395	$ 544,448
Realized Gains (Losses) on Investments:				
Proceeds from Security Sales	$ 87,617	$ 3,867,989	$ 3,955,606	$ 435,407
Cost of Securities Sold	76,682	3,479,769	3,556,451	401,834
Total Realized Gains (Losses)	$ 10,935	$ 388,220	$ 399,155	$ 33,573
Unrealized Gains (Losses):				
Beginning of Period	$ 60,426	$ 664,658	$ 725,084	$ 289,022
End of Period	78,671	689,304	767,975	725,084
Increase (Decrease) in Unrealized Appreciation	$ 18,245	$ 24,646	$ 42,891	$ 436,062
Total Operating Revenues	$ 72,477	$ 875,964	$ 948,441	$ 1,014,083
Operating Expenses:				
Investment Management Fees	$ 408	$ 1,904	$ 2,312	$ 1,219
Operating Income (Loss)	$ 72,069	$ 874,060	$ 946,129	$ 1,012,864
Nonoperating Revenues (Expenses):				
Participant Contributions	$ 44,920	$ 905,755	$ 950,675	$ 1,284,536
Participant Withdrawals	(87,411)	(611,668)	(699,079)	(1,178,209)
Net Nonoperating Revenues (Expenses)	$ (42,491)	$ 294,087	$ 251,596	$ 106,327
Net Income (Loss)	$ 29,578	$ 1,168,147	$ 1,197,725	$ 1,119,191
Fund Balances, July 1	569,265	7,101,086	7,670,351	6,551,160
Fund Balances, June 30	$ 598,843	$ 8,269,233	$ 8,868,076	$ 7,670,351

NONEXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
ASSETS				
Cash and Cash Equivalents	$ 25,921	$ 15,223	$ 41,144	$ 56,192
Investments	359,954	44,904	404,858	362,374
Accounts Receivable	6,206	–	6,206	5,946
Interfund Receivables	–	2,725	2,725	1,398
Accrued Investment Income	6,914	559	7,473	7,081
Fixed Assets (Net)	15,430	–	15,430	15,437
Total Assets	$ 414,425	$ 63,411	$ 477,836	$ 448,428
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 26	$ 2	$ 28	$ 57
Interfund Payables	22,289	3,689	25,978	22,133
Total Liabilities	$ 22,315	$ 3,691	$ 26,006	$ 22,190
Fund Balances:				
Reserved for Trust Principal	$ 392,110	$ 59,720	$ 451,830	$ 426,238
Total Liabilities and Fund Balances	$ 414,425	$ 63,411	$ 477,836	$ 448,428

NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
Operating Revenues:				
Net Sales	$ 4,682	$ –	$ 4,682	$ 6,194
Investment Income	34,656	2,999	37,655	36,991
Rental and Service Fees	1,086	–	1,086	152
Other Income	426	–	426	356
Total Operating Revenues	$ 40,850	$ 2,999	$ 43,849	$ 43,693
Operating Expenses:				
Purchased Services	$ 468	$ –	$ 468	$ 471
Investment Management Fees	42	5	47	46
Salaries and Fringe Benefits	50	–	50	73
Depreciation	1	–	1	1
Supplies and Materials	1	–	1	3
Total Operating Expenses	$ 562	$ 5	$ 567	$ 594
Operating Income	$ 40,288	$ 2,994	$ 43,282	$ 43,099
Nonoperating Revenues:				
Gain on Sale of Fixed Assets	$ 2,363	$ –	$ 2,363	$ 1,296
Total Nonoperating Revenues	$ 2,363	$ –	$ 2,363	$ 1,296
Income Before Operating Transfers	$ 42,651	$ 2,994	$ 45,645	$ 44,395
Operating Transfers – In	–	22,858	22,858	21,860
Operating Transfers – Out	(36,488)	(6,423)	(42,911)	(43,472)
Net Income	$ 6,163	$ 19,429	$ 25,592	$ 22,783
Fund Balances, July 1	385,947	40,291	426,238	412,295
Residual Equity Transfers – Out	–	–	–	(8,840)
Fund Balances, June 30	$ 392,110	$ 59,720	$ 451,830	$ 426,238

NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	PERMANENT SCHOOL	ENVIRONMENT AND NATURAL RESOURCES TRUST	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
Cash Flows from Operating Activities:				
Operating Income	$ 40,288	$ 2,994	$ 43,282	$ 43,099
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Depreciation	$ 1	$ –	$ 1	$ 1
Investment Income	(34,656)	(2,999)	(37,655)	(36,991)
Change in Assets and Liabilities:				
Accounts Receivable	277	–	277	(191)
Accounts Payable	(31)	2	(29)	46
Net Reconciling Items to be Added (Deducted) from Operating Income	$ (34,409)	$ (2,997)	$ (37,406)	$ (37,135)
Net Cash Flows from Operating Activities	$ 5,879	$ (3)	$ 5,876	$ 5,964
Cash Flows from Noncapital Financing Activities:				
Operating Transfers – In	$ –	$ 21,533	$ 21,533	$ 23,405
Operating Transfers – Out	(35,566)	(3,500)	(39,066)	(43,390)
Residual Equity Transfers – Out	–	–	–	(8,840)
Net Cash Flows from Noncapital Financing Activities	$ (35,566)	$ 18,033	$ (17,533)	$ (28,825)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the Sale of Fixed Assets	$ 1,660	$ –	$ 1,660	$ 1,051
Net Cash Flows from Capital and Related Financing Activities	$ 1,660	$ –	$ 1,660	$ 1,051
Cash Flows from Investing Activities:				
Proceeds from Sales and Maturities of Investments	$ 23,026	$ –	$ 23,026	$ 25,977
Purchase of Investments	(20,433)	(44,904)	(65,337)	(29,957)
Investment Earnings	34,821	2,439	37,260	36,845
Net Cash Flows from Investing Activities	$ 37,414	$ (42,465)	$ (5,051)	$ 32,865
Net Increase (Decrease) in Cash and Cash Equivalents	$ 9,387	$ (24,435)	$ (15,048)	$ 11,055
Cash and Cash Equivalents, July 1	16,534	39,658	56,192	45,137
Cash and Cash Equivalents, June 30	$ 25,921	$ 15,223	$ 41,144	$ 56,192

EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1993
(IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
ASSETS			
Cash and Cash Equivalents	$ 176,385	$ 278,027	$ –
Investments	–	–	–
Accounts Receivable	660	1,668	–
Interfund Receivables	2,176	7,265	18,399
Accrued Investment/Interest Income	–	–	–
Federal Aid Receivable	–	–	–
Inventories	–	–	–
Deferred Costs	–	–	–
Loans/Notes Receivable	–	–	–
Total Assets	$ 179,221	$ 286,960	$ 18,399
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 1,141	$ 1,150	$ –
Interfund Payables	–	–	–
Advances from Other Funds	–	–	–
Deferred Revenue	–	–	–
Compensated Absences Payable	–	–	–
Funds Held in Trust	–	–	–
Total Liabilities	$ 1,141	$ 1,150	$ –
Fund Balances:			
Reserved Retained Earnings:			
Reserved for Encumbrances	$ 419	$ 1,462	$ –
Reserved for Inventory	–	–	–
Reserved for Long-Term Receivables	–	–	–
Reserved for Local Governments	177,661	284,348	18,399
Reserved for Other	–	–	–
Total Reserved Fund Balances	$ 178,080	$ 285,810	$ 18,399
Unreserved Fund Balances:			
Designated for Fund Purposes	–	–	–
Total Fund Balances	$ 178,080	$ 285,810	$ 18,399
Total Liabilities and Fund Balances	$ 179,221	$ 286,960	$ 18,399

ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST	NORTHEAST MINNESOTA ECONOMIC PROTECTION	UNEMPLOYMENT COMPENSATION	TOTALS JUNE 30, 1993	TOTALS JUNE 30, 1992
$ 9,538	$ 7,185	$ 82,497	$ 202,720	$ 756,352	$ 833,795
2,818	–	–	–	2,818	2,616
378	–	45	20,605	23,356	53,150
1	3,689	–	–	31,530	28,432
52	–	80	–	132	154
–	–	–	7,374	7,374	3,377
–	–	5,660	–	5,660	3,573
–	–	–	–	–	3
–	–	7,426	–	7,426	9,105
$ 12,787	$ 10,874	$ 95,708	$ 230,699	$ 834,648	$ 934,205
$ 910	$ 907	$ 470	$ 17,457	$ 22,035	$ 29,874
–	–	–	–	–	1,012
–	30	–	–	30	–
–	–	–	2,939	2,939	2,299
45	5	61	–	111	104
308	–	–	–	308	1,262
$ 1,263	$ 942	$ 531	$ 20,396	$ 25,423	$ 34,551
$ 1,918	$ –	$ 13,673	$ –	$ 17,472	$ 16,309
–	–	5,660	–	5,660	3,573
–	–	7,313	10,370	17,683	44,074
–	–	–	–	480,408	517,971
–	–	2,134	–	2,134	3
$ 1,918	$ –	$ 28,780	$ 10,370	$ 523,357	$ 581,930
9,606	9,932	66,397	199,933	285,868	317,724
$ 11,524	$ 9,932	$ 95,177	$ 210,303	$ 809,225	$ 899,654
$ 12,787	$ 10,874	$ 95,708	$ 230,699	$ 834,648	$ 934,205

EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	MUNICIPAL STATE-AID STREET	COUNTY STATE-AID HIGHWAY	ENDOWMENT SCHOOL
Net Revenues:			
Unemployment Taxes	$ –	$ –	$ –
Mining Taxes	–	–	–
Federal Revenues	–	–	–
Departmental Services	–	–	–
Investment/Interest Income	8,902	13,185	–
Gifts and Donations	–	–	–
Other Revenues	–	–	–
Net Revenues	$ 8,902	$ 13,185	$ –
Expenditures:			
Current:			
Protection of Persons and Property	$ –	$ –	$ –
Transportation	934	2,870	–
Resource Management	–	–	–
Economic and Manpower Development	–	–	–
Education	–	–	–
Health and Social Services	–	–	–
General Government	–	–	–
Total Current Expenditures	$ 934	$ 2,870	$ –
Debt Service	–	–	–
Grants and Subsidies	105,174	280,911	31,918
Total Expenditures	$ 106,108	$ 283,781	$ 31,918
Excess of Revenues Over (Under) Expenditures	$ (97,206)	$ (270,596)	$ (31,918)
Other Financing Sources (Uses):			
Operating Transfers – In	$ 74,180	$ 254,866	$ 32,900
Operating Transfers – Out	–	–	–
Other Sources	–	–	–
Net Other Financing Sources (Uses)	$ 74,180	$ 254,866	$ 32,900
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	$ (23,026)	$ (15,730)	$ 982
Fund Balances, July 1	201,106	301,540	17,417
Residual Equity Transfers – In	–	–	–
Residual Equity Transfers – Out	–	–	–
Fund Balances, June 30	$ 178,080	$ 285,810	$ 18,399

ENDOWMENT	ENVIRONMENT AND NATURAL RESOURCES TRUST	NORTHEAST MINNESOTA ECONOMIC PROTECTION	UNEMPLOYMENT COMPENSATION	TOTALS FOR THE YEAR ENDED JUNE 30, 1993	JUNE 30, 1992
$ –	$ –	$ –	$ 315,756	$ 315,756	$ 318,367
–	–	5,145	–	5,145	6,693
1,268	–	–	150,916	152,184	94,811
–	–	–	–	–	19
481	483	4,194	15,344	42,589	61,986
9,990	–	–	–	9,990	10,217
3,676	–	473	–	4,149	4,807
$ 15,415	$ 483	$ 9,812	$ 482,016	$ 529,813	$ 496,900
$ 8	$ –	$ –	$ –	$ 8	$ 5
6	–	–	–	3,810	5,056
706	2,944	–	–	3,650	2,152
169	199	1,354	–	1,722	1,870
4,148	359	–	–	4,507	4,482
1,289	–	–	–	1,289	1,110
702	2,149	–	–	2,851	721
$ 7,028	$ 5,651	$ 1,354	$ –	$ 17,837	$ 15,396
–	–	–	–	–	18
5,672	1,803	1,145	542,876	969,499	874,311
$ 12,700	$ 7,454	$ 2,499	$ 542,876	$ 987,336	$ 889,725
$ 2,715	$ (6,971)	$ 7,313	$ (60,860)	$ (457,523)	$ (392,825)
$ –	$ 6,423	$ –	$ –	$ 368,369	$ 352,731
(1,206)	(323)	(86)	–	(1,615)	(4,723)
–	–	340	–	340	(887)
$ (1,206)	$ 6,100	$ 254	$ –	$ 367,094	$ 347,121
$ 1,509	$ (871)	$ 7,567	$ (60,860)	$ (90,429)	$ (45,704)
10,015	10,803	87,610	271,163	899,654	936,563
–	–	–	–	–	8,840
–	–	–	–	–	(45)
$ 11,524	$ 9,932	$ 95,177	$ 210,303	$ 809,225	$ 899,654

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	BALANCE JULY 1, 1992	INCREASES	DECREASES	BALANCE JUNE 30, 1993
SOCIAL WELFARE				
ASSETS				
Cash and Cash Equivalents	$ 6,219	$ 16,309	$ 16,467	$ 6,061
Total Assets	$ 6,219	$ 16,309	$ 16,467	$ 6,061
LIABILITIES				
Accounts Payable	$ 287	$ 316	$ 287	$ 316
Interfund Payables	–	1	–	1
Funds Held in Trust	5,932	16,277	16,465	5,744
Total Liabilities	$ 6,219	$ 16,594	$ 16,752	$ 6,061
DEFERRED COMPENSATION				
ASSETS				
Cash and Cash Equivalents	$ 1,708	$ 84,932	$ 84,261	$ 2,379
Investments	509,608	137,908	35,898	611,618
Accounts Receivable	2,137	1,870	1,388	2,619
Accrued Investment Income	–	–	–	–
Equity in Investment Trust Funds	196,962	132,481	99,449	229,994
Total Assets	$ 710,415	$ 357,191	$ 220,996	$ 846,610
LIABILITIES				
Accounts Payable	$ 13	$ 222	$ 13	$ 222
Interfund Payables	54	355	92	317
Funds Held in Trust	710,348	172,133	36,410	846,071
Total Liabilities	$ 710,415	$ 172,710	$ 36,515	$ 846,610
TAXES CLEARING				
ASSETS				
Cash and Cash Equivalents	$ 7,770	$ 42,203	$ 43,403	$ 6,570
Total Assets	$ 7,770	$ 42,203	$ 43,403	$ 6,570
LIABILITIES				
Accounts Payable	$ 283	$ 117	$ 283	$ 117
Payable to Other Governmental Units	3,390	752	3,390	752
Funds Held in Trust	4,097	42,369	40,765	5,701
Total Liabilities	$ 7,770	$ 43,238	$ 44,438	$ 6,570

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	BALANCE JULY 1, 1992	INCREASES	DECREASES	BALANCE JUNE 30, 1993
DISBURSEMENT CLEARING				
ASSETS				
Cash and Cash Equivalents	$ 156,303	$ 12,277,936	$ 12,269,012	$ 165,227
Total Assets	$ 156,303	$ 12,277,936	$ 12,269,012	$ 165,227
LIABILITIES				
Warrants Payable	$ 156,303	$ 12,277,936	$ 12,269,012	$ 165,227
Total Liabilities	$ 156,303	$ 12,277,936	$ 12,269,012	$ 165,227
MISCELLANEOUS AGENCY				
ASSETS				
Cash and Cash Equivalents	$ 13,705	$ 133,526	$ 131,607	$ 15,624
Accounts Receivable	674	1,326	415	1,585
Interfund Receivables	–	121	121	–
Deferred Costs	74	110	75	109
Total Assets	$ 14,453	$ 135,083	$ 132,218	$ 17,318
LIABILITIES				
Accounts Payable	$ 1,741	$ 1,100	$ 1,647	$ 1,194
Interfund Payables	4	11	4	11
Advances from Other Funds	–	525	–	525
Payable to Other Governmental Units	3,225	5,234	3,225	5,234
Funds Held in Trust	9,483	128,658	127,787	10,354
Total Liabilities	$ 14,453	$ 135,528	$ 132,663	$ 17,318
TOTAL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 185,705	$ 12,554,906	$ 12,544,750	$ 195,861
Investments	509,608	137,908	35,898	611,618
Accounts Receivable	2,811	3,196	1,803	4,204
Interfund Receivables	–	121	121	–
Deferred Costs	74	110	75	109
Equity in Investment Trust Funds	196,962	132,481	99,449	229,994
Total Assets	$ 895,160	$ 12,828,722	$ 12,682,096	$ 1,041,786
LIABILITIES				
Warrants Payable	$ 156,303	$ 12,277,936	$ 12,269,012	$ 165,227
Accounts Payable	2,324	1,755	2,230	1,849
Interfund Payables	58	367	96	329
Advances from Other Funds	–	525	–	525
Payable to Other Governmental Units	6,615	5,986	6,615	5,986
Funds Held in Trust	729,860	359,437	221,427	867,870
Total Liabilities	$ 895,160	$ 12,646,006	$ 12,499,380	$ 1,041,786

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GENERAL FIXED ASSETS ACCOUNT GROUP

The *General Fixed Assets Account Group* is maintained to account for fixed assets acquired or constructed for use by the state, other than those accounted for in proprietary and fiduciary funds.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES

JUNE 30, 1993 and 1992
(IN THOUSANDS)

	TOTALS	
	JUNE 30, 1993	JUNE 30, 1992
GENERAL FIXED ASSETS:		
Land	$ 238,214	$ 228,964
Buildings	1,059,847	1,019,185
Equipment	302,980	271,261
Construction in Progress	155,603	141,000
Total General Fixed Assets	$ 1,756,644	$ 1,660,410
INVESTMENT IN GENERAL FIXED ASSETS:		
Investment in Assets Acquired Prior to July 1, 1984 – Source Unidentified	$ 833,886	$ 835,143
Expenditures from:		
General Fund	105,340	95,119
Special Revenue Funds:		
Trunk Highway Fund	226,375	199,117
Highway User Tax Distribution Fund	624	607
Other Transportation Funds	3,453	3,029
Federal Fund	84,914	64,018
Environmental Fund	696	429
Natural Resources Funds	21,046	19,068
Special Workers Compensation Fund	4,696	3,052
Health Care Access Fund	132	–
Iron Range Resources and Rehabilitation Fund	21,462	20,245
Miscellaneous Special Revenue Fund	35,561	30,229
Capital Projects Funds:		
General Project Fund	5,834	5,804
Reinvest in Minnesota Fund	11,919	10,453
Building Fund	379,319	354,975
Donations	21,387	19,122
Total Investment in General Fixed Assets	$ 1,756,644	$ 1,660,410

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

JUNE 30, 1993
(IN THOUSANDS)

Function and Activity	LAND	BUILDINGS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Protection of Persons and Property:					
Military Affairs	$ 3,566	$ 65,932	$ 192	$ 31,082	$ 100,772
Public Safety	–	–	21,827	–	21,827
Others	–	–	194	–	194
Total Protection of Persons and Property	$ 3,566	$ 65,932	$ 22,213	$ 31,082	$ 122,793
Transportation:					
Transportation	$ 4,485	$ 110,868	$ 139,358	$ 16,310	$ 271,021
Total Transportation	$ 4,485	$ 110,868	$ 139,358	$ 16,310	$ 271,021
Resource Management:					
Natural Resources	$ 180,771	$ 35,790	$ 35,578	$ 18	$ 252,157
Pollution Control	–	–	2,991	–	2,991
Others	–	–	106	–	106
Total Resource Management	$ 180,771	$ 35,790	$ 38,675	$ 18	$ 255,254
Economic and Manpower Development:					
Agriculture	$ –	$ –	$ 1,943	$ –	$ 1,943
Commerce	–	–	97	–	97
Jobs and Training	1,976	7,410	8,823	–	18,209
Trade and Economic Development	–	–	589	–	589
Labor and Industry	–	–	6,110	–	6,110
Iron Range Resources and Rehabilitation	736	26,491	2,578	1,551	31,356
Public Service	–	–	1,238	–	1,238
Amateur Sports Commission	1,262	14,293	–	–	15,555
Others	–	–	158	–	158
Total Economic and Manpower Development	$ 3,974	$ 48,194	$ 21,636	$ 1,551	$ 75,355
Education:					
Center for Arts Education	$ 1,955	$ 2,295	$ 128	$ 660	$ 5,038
State University System	15,725	222,134	33,044	13,538	284,441
Community College System	10,075	145,904	5,941	42,074	203,994
Technical College System	319	–	3,337	–	3,656
Education (K–12)	30	10,516	397	–	10,943
Higher Education Coordinating Board	–	–	1,120	–	1,120
Zoological Garden	1,175	38,700	1,239	659	41,773
Total Education	$ 29,279	$ 419,549	$ 45,206	$ 56,931	$ 550,965
Health and Social Services:					
Health	$ –	$ –	$ 3,510	$ –	$ 3,510
Human Services	561	140,159	7,609	857	149,186
Veterans Affairs	133	26,225	569	7,083	34,010
Corrections	108	116,550	4,679	1,100	122,437
Others	30	–	1,958	–	1,988
Total Health and Human Services	$ 832	$ 282,934	$ 18,325	$ 9,040	$ 311,131
General Government:					
Administration (1)	$ 15,307	$ 96,580	$ 1,098	$ 40,671	$ 153,656
Attorney General	–	–	831	–	831
Employee Relations	–	–	1,712	–	1,712
Office of Strategic and Long Range Planning	–	–	80	–	80
Governor	–	–	78	–	78
Legislature	–	–	21	–	21
Secretary of State	–	–	5,274	–	5,274
Supreme Court	–	–	4,525	–	4,525
Revenue	–	–	2,698	–	2,698
Others	–	–	1,250	–	1,250
Total General Government	$ 15,307	$ 96,580	$ 17,567	$ 40,671	$ 170,125
Total General Fixed Assets	$ 238,214	$ 1,059,847	$ 302,980	$ 155,603	$ 1,756,644

(1) Consists primarily of buildings and land located in the capitol complex area.

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

Function and Activity	GENERAL FIXED ASSETS JULY 1, 1992	ADDITIONS	DEDUCTIONS/ NET TRANSFERS	ADJUSTMENTS	GENERAL FIXED ASSETS JUNE 30, 1993
Protection of Persons and Property:					
Military Affairs	$ 87,141	$ 12,436	$ (353)	$ 342	$ 100,772
Public Safety	18,461	2,926	485	925	21,827
Others	345	146	287	(10)	194
Total Protection of Persons and Property	$ 105,947	$ 15,508	$ (81)	$ 1,257	$ 122,793
Transportation:					
Transportation	$ 245,991	$ 26,947	$ 7,958	$ 6,041	$ 271,021
Total Transportation	$ 245,991	$ 26,947	$ 7,958	$ 6,041	$ 271,021
Resource Management:					
Natural Resources	$ 239,405	$ 13,712	$ 1,107	$ 147	$ 252,157
Pollution Control	2,767	283	59	–	2,991
Others	–	–	–	106	106
Total Resource Management	$ 242,172	$ 13,995	$ 1,166	$ 253	$ 255,254
Economic and Manpower Development:					
Agriculture	$ 1,390	$ 403	$ 23	$ 173	$ 1,943
Commerce	155	–	41	(17)	97
Jobs and Training	17,791	351	–	67	18,209
Trade and Economic Development	571	151	33	–	689
Labor and Industry	4,256	65	254	2,043	6,110
Iron Range Resources and Rehabilitation	30,138	1,330	152	40	31,356
Public Service	948	331	39	(2)	1,238
Amateur Sports Commission	15,296	259	–	–	15,555
Others	158	–	–	–	158
Total Economic and Manpower Development	$ 70,703	$ 2,890	$ 542	$ 2,304	$ 75,355
Education:					
Center for Arts Education	$ 4,935	$ 103	$ –	$ –	$ 5,038
State University System	274,188	15,292	2,601	(2,438)	284,441
Community College System	191,846	12,115	173	206	203,994
Technical College System	2,459	370	64	891	3,656
Education (K–12)	10,879	63	–	1	10,943
Higher Education Coordinating Board	839	281	–	–	1,120
Zoological Garden	40,691	1,147	144	79	41,773
Others	–	–	–	–	–
Total Education	$ 525,837	$ 29,371	$ 2,982	$ (1,261)	$ 550,965
Health and Social Services:					
Health	$ 3,744	$ 2	$ 235	$ (1)	$ 3,510
Human Services	153,400	3,953	2,540	(5,627)	149,186
Veterans Affairs	29,214	4,798	–	(2)	34,010
Corrections	114,191	5,598	(2,253)	395	122,437
Others	516	1,437	–	35	1,988
Total Health and Human Services	$ 301,065	$ 15,788	$ 522	$ (5,200)	$ 311,131
General Government:					
Administration (1)	$ 152,774	$ 202	$ 13	$ 693	$ 153,656
Attorney General	774	110	132	79	831
Employee Relations	1,712	–	–	–	1,712
Office of Strategic and Long Range Planning	80	–	–	–	80
Governor	63	15	–	–	78
Legislature	21	–	–	–	21
Secretary of State	5,002	257	–	15	5,274
Supreme Court	4,696	98	–	(269)	4,525
Revenue	2,372	202	14	138	2,698
Others	1,201	428	168	(211)	1,250
Total General Government	$ 168,695	$ 1,312	$ 327	$ 445	$ 170,125
Total General Fixed Assets	$ 1,660,410	$ 105,811	$ 13,416	$ 3,839	$ 1,756,644

(1) Consists primarily of buildings and land located in the capitol complex area.

GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP

The *General Long-Term Obligation Account Group* accounts for unmatured principal of bonds, notes and other forms of long-term indebtedness which are not accounted for in proprietary or fiduciary funds.

GENERAL LONG–TERM OBLIGATION ACCOUNT GROUP
STATEMENT OF CHANGES IN GENERAL LONG–TERM OBLIGATIONS
YEAR ENDED JUNE 30, 1993
(IN THOUSANDS)

	BALANCE JULY 1, 1992	INCREASE	DECREASE	BALANCE JUNE 30, 1993
Amount Available and to be Provided for Payment of General Long–Term Obligations:				
Amount Available in Debt Service Fund	$ 143,975	$ 166,845	$ 146,470	$ 164,350
Amount to be Provided:				
General Fund	$ 1,952,967	$ 1,103,123	$ 1,067,356	$ 1,988,734
Trunk Highway Fund	183,107	5,855	43,002	145,960
Highway User Tax Distribution Fund	657	45	–	702
Other Transportation Funds	291	1	–	292
Federal Fund	12,470	1,112	–	13,582
Environmental Fund	755	45	–	800
Petroleum Tank Cleanup Fund	–	64	–	64
Natural Resources Funds	5,303	408	11	5,700
Maximum Effort School Loan Fund	56,992	46,580	4,321	99,251
Special Workers Compensation Fund	59,898	13,543	16,523	56,918
Health Care Access Fund	–	207	–	207
Iron Range Resources and Rehabilitation Fund	294	36	–	330
Miscellaneous Special Revenue Fund	64,576	5,096	12,162	57,510
Total Amount to be Provided	$ 2,337,310	$ 1,176,115	$ 1,143,375	$ 2,370,050
Total Amount Available and to be Provided	$ 2,481,285	$ 1,342,960	$ 1,289,845	$ 2,534,400
General Long–Term Obligations Payable:				
General Obligation Bonds Payable	$ 1,630,105	$ 721,335	$ 644,555	$ 1,706,885
Loans Payable	71,130	4,828	33,740	42,218
Revenue Bonds Payable	46,790	–	7,440	39,350
Grants Payable	395,453	395,126	395,453	395,126
Claims Payable	56,964	13,129	15,990	54,103
Compensated Absences Payable	144,696	9,531	–	154,227
Workers Compensation Liability	99,861	23,386	14,286	108,961
Capital Leases Payable	28,358	8,286	9,069	27,575
Pension Liabilities	883	229	548	564
Arbitrage Payable	7,045	252	1,906	5,391
Total General Long–Term Obligations Payable	$ 2,481,285	$ 1,176,102	$ 1,122,987	$ 2,534,400

GENERAL OBLIGATION
DEBT SCHEDULES

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS – MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6-30-1993	1994	1995	1996	1997	1998	1999
GENERAL FUND								
STATE BUILDING (VOC TECH)	'75-436	2,500	775	775	775	175	--	--
			119	76	34	9	--	--
STATE BUILDING, CAPITAL IMPROVEMENT	'71-963	4,656	2,268	1,268	685	435	--	--
			190	95	43	12	--	--
	'73-788	6,869	2,276	1,776	1,513	1,305	--	--
			319	214	129	56	--	--
	'74-541	410	205	205	--	--	--	--
			16	5	--	--	--	--
	'75-436	3,336	847	847	847	795	--	--
			162	117	72	29	--	--
	'76-348	5,200	2,600	2,600	--	--	--	--
			513	383	--	--	--	--
	'77-451	2,749	550	550	550	550	550	--
			135	109	82	55	27	--
	'79-338	322	322	--	--	--	--	--
			14	--	--	--	--	--
	'81-4	454	325	129	--	--	--	--
			26	6	--	--	--	--
	'81-304	449	449	--	--	--	--	--
			19	--	--	--	--	--
	'81-334	2,162	576	361	305	305	305	305
			124	91	70	51	31	11
	'81-361	155	140	15	--	--	--	--
			7	1	--	--	--	--
	'81-362	1,962	1,219	743	--	--	--	--
			122	34	--	--	--	--
	'82-639	46	46	--	--	--	--	--
			2	--	--	--	--	--
	'83-344	7,451	4,557	2,894	--	--	--	--
			468	134	--	--	--	--
	'84-597	34,631	13,892	11,179	5,410	945	1,125	2,080
			1,929	1,017	444	246	179	71
	'87-400	105,795	13,140	13,080	12,935	12,895	12,905	13,090
			12,043	11,181	10,325	9,472	8,616	7,753
	'88-718	3,040	300	305	295	300	300	310
			361	340	319	298	278	257
	'89-41	1,325	190	190	190	190	190	190
			204	192	179	167	154	142
	'89-290	4,790	535	535	535	540	540	540
			608	572	537	501	465	429
	'89-300	51,710	4,045	4,045	4,045	4,050	4,050	4,225
			4,774	4,514	4,255	3,995	3,736	3,471
	'90-365	794	95	95	95	100	100	100
			118	112	105	98	91	84
	'90-610	61,282	2,344	2,333	2,392	2,615	2,592	4,179
			4,912	4,753	4,594	4,424	4,248	4,030
	'92-558	49,825	560	1,560	2,495	2,495	2,495	2,490
			2,841	2,785	2,676	2,542	2,406	2,269
	X'85-15	59,367	16,896	13,691	10,800	7,025	6,805	2,750
			3,544	2,468	1,657	1,085	633	315
	X'87-3	155	20	20	20	20	25	25
			10	8	7	6	4	3
STATE BUILDING, TAXABLE BONDS	'87-400	4,340	290	290	290	290	290	290
			401	373	346	318	291	263
MUNICIPAL ENERGY BUILDING BONDS	'83-323	6,470	1,960	1,960	1,465	165	165	165
			292	214	120	59	49	40

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS -- MEDIUM FACE

($ in Thousands)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS – MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR–CHAPTER	AMOUNT OUTSTANDING 6–30–1993	1994	1995	1996	1997	1998	1999
REFUNDING BONDS	'85–16A.66	133,602	17,857	27,375	41,815	23,540	23,215	--
			8,534	7,094	4,678	2,402	801	--
REFUNDING ARBITRAGE BONDS	'85–16A.66	581,237	2,450	14,904	12,774	21,584	24,057	57,991
			21,868	24,727	24,113	23,876	22,709	19,943
REINVEST IN MINNESOTA (RIM)	'86–383	8,000	1,600	1,600	1,600	1,600	1,600	--
			451	355	258	157	53	--
	'87–400	1,050	30	30	30	30	30	50
			59	57	56	54	53	50
	'89–300	4,430	335	335	335	335	340	345
			367	346	325	304	282	261
	'91–354	11,950	515	515	515	515	515	615
			721	690	659	627	596	562
RURAL FINANCE AUTHORITY (RFA)	'86–398	12,545	750	--	--	2,185	3,750	2,980
			823	790	790	699	489	268
STATE BUILDING (NATURAL RESOURCES)	'75–415	4,000	1,000	1,000	1,000	1,000	--	--
			191	138	83	28	--	--
POLLUTION CONTROL	'73–771	3,789	1,013	1,013	1,013	750	--	--
			186	134	82	38	--	--
	'79–825	300	300	--	--	--	--	--
			13	--	--	--	--	--
	'83–116.17	2,978	2,247	728	--	--	--	--
			164	35	--	--	--	--
	'84–597	6,815	2,135	1,935	1,550	260	235	700
			355	234	128	71	55	24
	'87–400	26,185	2,585	2,585	2,585	2,750	2,755	2,805
			3,117	2,946	2,775	2,598	2,415	2,232
	'89–300	18,730	1,370	1,370	1,370	1,495	1,490	1,515
			1,652	1,565	1,479	1,388	1,294	1,199
	X'71–20	1,484	488	488	488	--	--	--
			68	40	13	--	--	--
STATE BUILDING (PARKS & RECREATION)	'77–421	13,500	2,700	2,700	2,700	2,700	2,700	--
			664	535	402	270	135	--
STATE TRANSPORTATION	'76–339	5,000	1,250	1,250	1,250	1,250	--	--
			249	188	125	63	--	--
	'77–277	9,500	1,900	1,900	1,900	1,900	1,900	--
			467	378	283	190	95	--
	'79–280	3,346	2,075	921	195	25	40	90
			186	82	18	10	7	3
	'80–610	425	285	140	--	--	--	--
			25	6	--	--	--	--
	'84–597	1,200	600	600	--	--	--	--
			83	28	--	--	--	--
	'87–400	1,105	35	35	35	40	40	65
			77	75	73	71	68	65
	'89–300	2,885	315	315	315	320	320	330
			379	358	336	315	293	271
	'90–610	4,130	175	170	170	175	175	215
			257	246	235	224	213	201
	'92–558	5,000	250	250	250	250	250	250
			283	270	256	242	228	214
	X'85–15	665	95	95	95	95	95	95
			41	34	28	22	16	10
VIETNAM VETERANS BONUS	'73–204	3,000	3,000	--	--	--	--	--
			74	--	--	--	--	--

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS – MEDIUM FACE

($ in Thousands)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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61,606	**57,687**	**59,567**	**60,974**	**46,728**	**38,527**	**29,563**	**29,263**	**24,583**	**19,833**	**19,348**	--	--	--
17,269	15,082	12,910	10,866	8,629	6,952	5,462	4,016	2,699	1,575	522	--	--	--
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50	**50**	**50**	**100**	**65**	**65**	**65**	**65**	**65**	**65**	**65**	**65**	**70**	**10**
48	45	43	39	34	30	26	23	19	15	11	7	3	1
335	**310**	**140**	**205**	**145**	**145**	**145**	**150**	**150**	**150**	**150**	**150**	**150**	**80**
240	219	199	180	157	137	118	98	78	56	35	20	11	4
615	**615**	**615**	**615**	**690**	**690**	**690**	**690**	**695**	**695**	**695**	**695**	**695**	**85**
526	488	452	415	376	333	290	248	204	161	116	72	27	4
1,440	**440**	--	**1,000**	--	--	--	--	--	--	--	--	--	--
120	81	50	50	--	--	--	--	--	--	--	--	--	--
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2,805	**1,485**	**525**	**525**	**555**	**555**	**230**	**560**	**560**	**560**	**560**	**560**	**560**	**80**
1,594	1,000	371	339	306	272	238	202	167	132	96	60	25	4
1,495	**1,240**	**445**	**535**	**470**	**470**	**470**	**470**	**470**	**470**	**485**	**270**	**485**	**385**
982	560	300	277	250	225	199	175	149	122	96	72	45	21
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65	**65**	**50**	**50**	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**85**	--
61	45	43	40	36	32	28	23	20	15	10	6	2	--
330	**230**	**20**	**20**	**40**	**40**	**40**	**40**	**40**	**40**	**40**	**35**	**35**	--
249	31	25	23	21	18	17	14	12	8	7	3	1	--
215	**215**	**215**	**220**	**250**	**250**	**255**	**255**	**255**	**255**	**255**	**205**	**205**	--
187	174	161	147	133	117	101	84	68	52	35	20	7	--
250	**250**	**250**	**250**	**275**	**275**	**275**	**275**	**280**	**280**	**280**	**280**	**280**	--
200	186	172	158	143	127	111	95	78	61	44	28	9	--
95	--	--	--	--	--	--	--	--	--	--	--	--	--
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STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS – MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6-30-1993	1994	1995	1996	1997	1998	1999
WASTE MANAGEMENT	'80-564	2,443	910	868	485	80	80	220
			128	77	40	23	18	7
	'87-400	2,870	165	165	170	170	175	175
			212	201	190	179	168	157
	'90-610	4,590	195	195	195	195	195	235
			283	271	259	247	235	221
	'92-558	500	25	25	25	25	25	25
			28	27	26	24	23	21
	X'85-15	3,751	957	709	555	370	370	440
			222	165	123	93	69	42
EXCHANGE BONDS	'85-16A 66	6,290	--	--	--	--	--	--
			3	3	3	3	3	3
ZOOLOGICAL GARDENS	'73-207	3,200	1,875	1,175	75	75	--	--
			121	39	8	4	--	--
TOTAL GENERAL FUND		1,310,897	122,903	126,637	116,932	98,908	96,788	99,880
			76,824	71,907	63,835	57,645	51,526	44,893
GAME AND FISH FUND								
STATE BUILDING, CAPITAL IMPROVEMENT	'79-338	3	3	--	--	--	--	--
			--	--	--	--	--	--
REFUNDING BONDS	'85-16A 66	185	20	40	55	25	25	--
			11	9	5	3	1	--
REFUNDING ARBITRAGE BONDS	'85-16A 66	310	--	1	1	1	19	50
			21	21	21	21	21	19
EXCHANGE BONDS	'85-16A 66	10	--	--	--	--	--	--
			--	--	--	--	--	--
TOTAL GAME AND FISH FUND		488	23	41	56	26	44	50
			32	30	26	24	22	19
TRUNK HIGHWAY FUND								
REFUNDING BONDS	'85-16A 66	13,930	2,195	2,125	3,245	3,205	3,180	--
			854	718	543	327	109	--
REFUNDING ARBITRAGE BONDS	'85-16A 66	29,035	--	50	50	5,550	1,575	4,735
			1,540	1,623	1,621	1,439	1,210	1,037
TRUNK HIGHWAY BONDS	'77-277	8,700	2,500	1,550	1,550	1,550	1,550	
			422	307	231	155	78	--
	'83-17	4,920	2,585	2,335	--	--	--	--
			332	108	--	--	--	--
TOTAL TRUNK HIGHWAY FUND		57,185	7,280	6,060	4,845	10,305	6,285	4,735
			3,148	2,758	2,395	1,921	1,397	1,037
INFRASTRUCTURE DEVELOPMENT FUND								
STATE BUILDING, CAPITAL IMPROVEMENT	'90-610	114,477	5,746	6,667	6,523	6,065	6,068	6,541
			7,675	7,551	7,150	6,765	6,390	6,005
REINVEST IN MINNESOTA (RIM)	'90-610	2,305	140	140	145	145	145	155
			179	170	161	151	141	132
POLLUTION CONTROL	'90-610	28,685	1,815	1,810	1,805	1,805	1,805	1,670
			1,985	1,881	1,777	1,673	1,569	1,463
SPECIAL BUILDING	'90-610	1,475	180	185	185	185	185	185
			211	198	185	172	159	146
TOTAL INFRASTRUCTURE DEVELOPMENT FUND		147,032	7,881	8,602	8,458	8,000	8,003	8,551
			10,050	9,800	9,273	8,781	8,259	7,746
MAXIMUM EFFORT SCHOOL LOAN FUND								
REFUNDING BONDS	'85-16A 66	1,545	245	235	360	355	350	--
			95	80	60	36	12	--
REFUNDING ARBITRAGE BONDS	'85-16A 66	26,325	--	275	300	285	1,200	2,080
			1,382	1,531	1,518	1,504	1,462	1,365

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS – MEDIUM FACE

($ in Thousands)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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175	**185**	**130**	**135**	**135**	**135**	**135**	**140**	**140**	**140**	**140**	**140**	**140**	--
145	134	123	112	100	88	75	63	50	38	25	14	5	--
235	**235**	**235**	**245**	**270**	**270**	**270**	**270**	**270**	**270**	**270**	**270**	**270**	--
207	192	178	163	147	130	113	96	79	62	44	26	9	--
25	**25**	**25**	**25**	**25**	**25**	**30**	**30**	**30**	**30**	**30**	**25**	**25**	--
20	19	17	16	14	13	11	10	8	6	4	2	1	--
345	**5**	--	--	--	--	--	--	--	--	--	--	--	--
15	4	--	--	--	--	--	--	--	--	--	--	--	--
--	**3,145**	**3,145**	--	--	--	--	--	--	--	--	--	--	--
3	2	1	--	--	--	--	--	--	--	--	--	--	--
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93,460	**79,906**	**73,889**	**73,509**	**59,984**	**51,763**	**42,480**	**42,466**	**37,782**	**32,508**	**32,194**	**12,581**	**12,750**	**1,420**
39,260	33,934	29,257	25,423	21,671	18,273	15,049	11,857	8,787	5,915	3,121	1,322	520	78
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48	**37**	**32**	**34**	**27**	**24**	**18**	**11**	**6**	**3**	**3**	--	--	--
16	12	10	8	5	4	2	2	--	--	--	--	--	--
--	**5**	**5**	--	--	--	--	--	--	--	--	--	--	--
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48	**42**	**37**	**34**	**27**	**24**	**18**	**11**	**6**	**3**	**3**	--	--	--
16	**12**	**10**	**8**	**5**	**4**	**2**	**2**	--	--	--	--	--	--
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4,605	**3,350**	**2,730**	**2,655**	**2,560**	**600**	**600**	**575**	--	--	--	--	--	--
797	599	444	305	169	84	50	17	--	--	--	--	--	--
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4,605	**3,350**	**2,730**	**2,655**	**2,560**	**600**	**600**	**575**	--	--	--	--	--	--
797	**599**	**444**	**305**	**169**	**84**	**50**	**17**	--	--	--	--	--	--
6,616	**7,401**	**6,161**	**6,260**	**6,024**	**6,074**	**5,883**	**5,882**	**5,886**	**5,812**	**5,819**	**4,279**	**4,310**	**460**
5,611	5,197	3,495	3,154	2,808	2,465	2,119	1,777	1,432	1,087	742	437	172	25
155	**155**	**95**	**95**	**115**	**115**	**115**	**115**	**115**	**115**	**115**	**110**	**110**	--
122	112	102	93	84	73	63	52	42	31	20	11	4	--
1,670	**1,670**	**1,380**	**1,380**	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**	**1,435**	--
1,357	1,250	1,143	1,036	927	816	703	589	476	362	248	143	48	--
185	**185**	--	--	--	--	--	--	--	--	--	--	--	--
134	122	--	--	--	--	--	--	--	--	--	--	--	--
8,626	**9,411**	**7,636**	**7,735**	**7,569**	**7,619**	**7,428**	**7,427**	**7,431**	**7,357**	**7,384**	**5,819**	**5,855**	**460**
7,224	**6,681**	**4,740**	**4,283**	**3,819**	**3,354**	**2,885**	**2,418**	**1,950**	**1,480**	**1,010**	**591**	**224**	**25**
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2,290	**2,685**	**2,975**	**3,180**	**2,585**	**2,190**	**1,475**	**1,465**	**1,380**	**1,000**	**1,000**	--	--	--
1,235	1,085	917	733	561	419	312	229	147	81	27	--	--	--

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS – MEDIUM FACE

($ in Thousands)

FUND & TYPE	AUTHORIZATION YEAR-CHAPTER	AMOUNT OUTSTANDING 6-30-1993	1994	1995	1996	1997	1998	1999
SCHOOL LOAN BONDS	'89-1056	1,200	300	300	300	300	--	--
			59	43	27	11	--	--
	'80-545	1,992	411	306	255	255	255	255
			202	176	157	141	124	107
	'88-718	10,000	1,140	1,140	1,135	1,140	1,140	1,140
			1,304	1,225	1,146	1,068	989	912
	'90-610	22,100	1,165	1,165	1,165	1,165	1,165	1,165
			1,367	1,295	1,222	1,150	1,078	1,006
	'91-265	22,145	1,140	1,140	1,140	1,140	1,140	1,140
			1,202	1,141	1,082	1,021	961	900
	'92-558	5,600	295	295	295	295	295	295
			316	300	284	268	251	235
TOTAL MAXIMUM EFFORT SCHOOL LOAN FUND		90,907	4,696	4,856	4,950	4,915	5,545	6,075
			5,927	5,791	5,496	5,200	4,877	4,525
CIGARETTE TAX FUND								
STATE BUILDING, CAPITAL IMPROVEMENT	'87-400	12,810	2,135	2,135	2,135	2,135	2,135	2,135
			747	619	489	354	216	73
STATE BUILDING, CAPITAL IMPROVEMENT	'87-400	37,845	6,305	6,305	6,305	6,310	6,310	6,310
			2,274	1,864	1,454		631	211
ARBITRAGE REFUNDING BONDS	'85-16A.66	9,340	--	--	--		--	--
			488	488	488	48	488	488
REINVESTMENT IN MINNESOTA (RIM)	'87-400	9,320	1,720	1,720	1,720	1,720	1,720	720
			542	435	327	217	105	24
POLLUTION CONTROL	'87-400	5,620	970	970	970	970	970	970
			350	287	224	161	97	32
STATE TRANSPORTATION	'87-400	2,520	420	420	420	420	420	420
			149	123	97	70	42	14
TOTAL CIGARETTE TAX FUND		77,655	11,550	11,550	11,550	11,555	11,555	10,555
			4,550	3,816	3,079	2,334	1,579	842
SPORTS AND HEALTH CLUB TAX FUND								
STATE BUILDING, CAPITAL IMPROVEMENT	'87-400	2,010	335	335	335	335	335	335
			117	97	77	56	34	11
STATE BUILDING, CAPITAL IMPROVEMENT	'87-400	8,950	1,275	1,275	1,280	1,280	1,280	1,280
			650	567	484	401	317	232
ARBITRAGE REFUNDING BONDS	'85-16A.66	11,960	--	80	45	5	5	45
			629	649	646	644	645	643
TOTAL SPORTS AND HEALTH CLUB TAX FUND		22,920	1,610	1,670	1,660	1,620	1,620	1,660
			1,396	1,313	1,207	1,101	998	886
STATE UNIVERSITY BOARD								
STATE UNIVERSITIES	'73-759	4,025	805	805	805	805	805	--
			200	156	111	67	23	--
TOTAL STATE UNIVERSITY BOARD		4,025	805	805	805	805	805	--
			200	156	111	67	23	--
TOTAL PRINCIPAL – ALL FUNDS (1)		1,710,910	156,548	160,221	151,255	136,134	130,645	131,505
TOTAL INTEREST – ALL FUNDS			101,926	95,567	85,421	77,053	68,679	59,948
TOTAL DEBT SERVICE – ALL FUNDS (2)		2,482,548	258,474	255,789	236,677	213,187	199,324	191,453

(1) Does not include the issues of $146,995,000 State Refunding Bonds or $210 million of State Various Purpose Bonds both dated August 1, 1993.

(2) The Total Debt Service – All Funds does not include: $26,550,000 of bonds dated April 1, 1979; $44,500,000 of bonds dated August 1, 1983; $73,000,000 of bonds dated March 1, 1984; $48,300,000 of bonds dated July 2, 1984; $116,500,000 of bonds dated June 1, 1985; $22,550,000 of the bonds dated July 1, 1985; $116,750,000 of the bonds dated August 1, 1986; $32,400,000 of bonds dated July 1, 1987; $38,690,000 of bonds dated April 1, 1988; $20,280,000 of bonds dated July 1, 1988; $110,050,000 of bonds dated August 1, 1989; and $97,900,000 of bonds dated July 1, 1990 for which funds are held in escrow, have been invested and will be sufficient to pay the principal of, and interest on, the bonds to their earliest call date.

STATE OF MINNESOTA

GENERAL OBLIGATION DEBT
SCHEDULED DEBT SERVICE FOR FISCAL YEARS 1994 – 2013

PRINCIPAL PAYMENTS – BOLD INTEREST PAYMENTS – MEDIUM FACE

($ in Thousands)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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255	--	--	--	--	--	--	--	--	--	--	--	--	--
90	--	--	--	--	--	--	--	--	--	--	--	--	--
1,140	985	90	95	95	95	95	95	95	95	95	95	95	--
836	104	68	61	56	51	43	36	30	24	17	10	3	--
1,165	1,165	1,165	1,165	1,165	1,165	1,160	1,160	1,160	1,160	1,160	1,160	1,160	--
933	861	788	715	642	568	493	418	343	267	191	115	38	--
1,135	1,135	1,135	1,150	1,135	1,135	1,135	1,140	1,140	1,140	1,140	1,140	1,140	505
840	779	718	657	595	533	471	407	342	276	210	143	76	28
295	295	295	295	295	295	295	295	295	295	295	295	290	--
218	202	185	168	151	134	117	100	82	64	46	27	9	--
6,280	6,265	5,660	5,885	5,255	4,880	4,160	4,155	4,070	3,890	3,890	2,690	2,685	505
4,152	3,031	2,677	2,334	2,005	1,705	1,438	1,190	944	712	491	295	126	28
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2,335	2,335	2,335	2,335	--	--	--	--	--	--	--	--	--	--
430	311	188	63	--	--	--	--	--	--	--	--	--	--
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2,335	2,335	2,335	2,335	--	--	--	--	--	--	--	--	--	--
430	311	188	63	--	--	--	--	--	--	--	--	--	--
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1,280	--	--	--	--	--	--	--	--	--	--	--	--	--
146	--	--	--	--	--	--	--	--	--	--	--	--	--
385	1,565	1,625	1,630	1,275	1,280	1,280	1,280	1,280	130	130	--	--	--
633	582	499	413	335	265	194	122	50	11	4	--	--	--
1,665	1,565	1,625	1,630	1,275	1,280	1,280	1,280	1,280	130	130	--	--	--
779	582	499	413	335	265	194	122	50	11	4	--	--	--
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117,019	102,874	93,912	93,783	78,870	66,166	55,924	55,894	50,529	43,885	43,380	21,090	21,290	2,365
52,657	45,151	37,815	32,830	28,003	23,885	19,818	15,808	11,730	8,117	4,825	2,209	869	131
169,675	148,024	131,727	126,614	104,873	89,851	75,540	71,499	62,259	51,802	48,005	23,299	22,159	2,516

Note: Columns may not add due to rounding.

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1993
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
1971-856 (1)	Municipal Aid	$ 4,330	Municipal Aid	$ 4,330	$ -	$ 4,330
1980-564	Waste Management	15,000	Waste Processing Facility Assistance	8,800		
			Acquisition of Real Property for Hazardous Waste Facility Sites	6,200	12,500	2,500
1983-323	Building	30,000	School Energy	30,000	24,050	5,950
1984-597	Transportation	16,000	Railroad Rehabilitation	12,000		
			Local Interstate Substitution	4,000	9,000	7,000
x1985-15 (2)	Transportation	1,800	Interstate Substitution	1,800	1,800	-
1986-398	Rural Finance Authority	50,000	Farm Loan Restructuring	50,000	13,375	36,625
1987-400 (2)	Building	370,272	Supreme Court	32,500		
			Administration	19,657		
			Capital Area Architectual Planning Board	300		
			Natural Resources	16,770		
			Energy & Economic Development	46,250		
			Iron Range Resources and Rehabilitation Board	2,200		
			Military Affairs	2,500		
			Veterans Affairs	2,500		
			Historical Society	54,284		
			Education	10,981		
			Vocational Technical Education	33,198		
			Community College	34,960		
			State Universities	52,491		
			University of Minnesota	47,780		
			Corrections	2,274		
			Human Services	7,175		
			Minnesota Center for the Arts	4,000		
			Other	452	365,266	5,007
1987-400	Transportation	8,800	County Municipal Township Bridges	8,800	6,730	2,070
1987-400	Waste Management	4,000	Waste Processing Facility Assistance	4,000	3,660	340
1987-400	Water Pollution Control	66,747	Prevention, Control, Abatement of Water Pollution	66,747	63,980	2,767
1987-400	Reinvest in Minnesota	19,000	Agriculture	9,000		
			Natural Resources	10,000	18,250	750
1989-41	Building	3,799	Administration	3,799	3,745	54
1989-290	Building	10,755	Administration	10,755	10,670	85
1989-300 (2)	Building	140,035	Vocational Technical Education	5,485		
			Community Colleges	5,805		
			State Universities	27,680		
			University of Minnesota	14,415		
			Education	2,703		
			Human Services	11,751		
			Corrections	2,600		
			Health	390		
			Veterans Home Board	165		
			Jobs and Training	1,000		
			Historical Society	301		
			Administration	36,359		
			Capital Area Architectural and Planning Board	450		

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1993
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
			Natural Resources	3,357		
			Pollution Control Agency	10,125		
			Public Facilities Authority	12,700		
			Trade and Economic Development	4,230		
			Military Affairs	400		
			Other	119	106,990	33,045
1989-300	Transportation	8,000	County Municipal Township Bridges	8,000	6,800	1,200
1989-300	Reinvest in Minnesota	5,000	Board of Water and Soil Resources	1,500		
			Natural Resources	3,500	4,750	250
1990-610 (2)	Building	338,295	Technical Colleges	25,362		
			Community Colleges	50,500		
			State Universities	42,945		
			University of Minnesota	71,480		
			Education	4,793		
			Human Services	22,675		
			Corrections	13,121		
			Health	1,376		
			Veterans Home Board	1,750		
			Jobs and Training	750		
			Historical Society	3,475		
			Administration	13,950		
			Capital Area Architectural and Planning Board	300		
			Natural Resources	14,950		
			Pollution Control Agency	27,225		
			Public Facilities Authority	30,954		
			Trade and Economic Development	5,000		
			Military Affairs	200		
			Public Safety	545		
			Indian Affairs Council	50		
			Amateur Sports Commission	5,000		
			Housing Finance Agency	1,500		
			Other	394	255,696	82,599
1990-610	Transportation	11,200	County Municipal Township Bridges	11,200	5,080	6,120
1990-610	Reinvest in Minnesota	5,395	Board of Water and Soil Resources	2,395		
			Natural Resources	3,000	4,695	700
1990-610	Waste Management	7,000	Waste Processing Facility Assistance	7,000	4,750	2,250
1991-265	School Loan	45,065	Acquisition and Betterment of Public School Land and Buildings	45,065	23,745	21,320
1991-350	Airport Facilities	175,000	Airport Facilities	175,000	-	175,000
1991-354	Wetlands/Reinvest in Minnesota	28,000	Board of Water and Soil Resources	13,900		
			Natural Resources	7,545		
			Trade and Economic Development	6,525	12,300	15,700
1992-558	Building	229,695	Technical Colleges	12,607		
			Community Colleges	14,630		
			State Universities	12,870		
			University of Minnesota	61,900		
			Education	13,606		
			Human Services	24,105		
			Corrections	15,382		
			Jobs and Training	2,000		
			Housing Finance Agency	3,000		
			Administration	24,343		
			Military Affairs	2,400		
			Trade and Economic Development	4,550		

STATE OF MINNESOTA
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
BY PURPOSE AS OF JUNE 30, 1993
(In Thousands)

Authorization	Type	Total Authorized	Components/Purpose	Amounts Authorized	Issued	Net Authorized Unissued
			Public Facilities Authority	7,500		
			Natural Resources	11,682		
			Board of Water and Soil Resources	1,250		
			Agriculture	365		
			Pollution Control Agency	13,050		
			Minnesota Zoological Garden	1,820		
			Historical Society	2,375		
			Other	260	35,115	194,580
1992-558 (2)	School Loan	10,000	Acquisition and Betterment of Public School Land and Buildings	10,000	4,000	6,000
1992-558	Transportation	17,500	County Municipal Township Bridges	17,500	3,690	13,810
1992-558	Waste Management	2,000	Waste Processing Facility Assistance	2,000	–	2,000
1993-373	Building	54,640	Technical Colleges	667		
			Community Colleges	1,367		
			State Universities	1,161		
			University of Minnesota	2,000		
			Education	7,000		
			Human Services	8,765		
			Corrections	9,812		
			Administration	8,255		
			Historical Society	150		
			Public Facilities Authority	4,000		
			Pollution Control Agency	11,000		
			Veterans Home Board	400		
			Other	63	–	54,640
1993-373	School Loan	5,000	Acquisition and Betterment of Public School Land and Buildings	5,000	–	5,000
1993-373	Transportation	9,900	County Municipal Township Bridges	9,900	–	9,900
	Total Authorized, Unissued					$ 691,592

(1) Laws 1984, Chapter 597 reduced the Municipal Aid Bonds authorization in Laws 1971, Chapter 856 by $15,670,000.

(2) Laws 1993, Chapter 373 reduced Building Bond authorizations as follows: Laws 1987, Chapter 400 by $700,000; Laws 1989, Chapter 300 by $2,550,000; and Laws 1990, Chapter 610 by $2,500,000. Laws 1993, Chapter 373 also reduced the Transportation Bond authorization in Special Session Laws 1985, Chapter 15 by $235,000, and the School Loan Bond authorization in Laws 1992, Chapter 558 by $2,130,000.

STATISTICAL SECTION

The following usual statistical tables are not included because they are not applicable to the state's operations: all tables relating to property tax levies and collections; computation of legal debt margin, and computation of overlapping debt. Minnesota data privacy laws prevent disclosure of the names of principal taxpayers.

STATE OF MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1984-1993
(In Thousands)

	1984	1985	1986	1987
Individual Income Taxes	$ 2,642,957	$ 2,638,570	$ 2,488,268	$ 2,757,164
Corporate Income Taxes	340,027	420,235	403,121	501,091
Sales Taxes	1,264,135	1,357,131	1,374,652	1,478,303
Gross Earnings Taxes	147,128	133,041	160,611	223,995
Motor Vehicle Excise Tax	179,188	197,213	207,774	225,617
Motor Vehicle Licenses	198,685	228,017	239,409	259,112
Gasoline and Special Fuel Taxes	348,081	360,517	342,349	361,386
Other Taxes	355,369	409,425	353,868	336,660
Federal Revenues	1,395,774	1,462,835	1,724,286	1,765,052
Other Revenues	465,383	640,057	537,426	522,133
Gross Revenues	$ 7,336,727	$ 7,847,041	$ 7,831,764	$ 8,430,513
Less Revenue Refunds (2)	451,801	558,406	683,744	574,815
Net Revenues	$ 6,884,926	$ 7,288,635	$ 7,148,020	$ 7,855,698

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1984-1993
(In Thousands)

	1984	1985	1986	1987
Current Expenditures:				
Protection of Persons/Property	$ 87,285	$ 94,708	$ 103,018	$ 105,574
Transportation	205,123	219,422	223,550	241,552
Resource Management	99,045	109,707	115,351	123,411
Economic/Manpower Development	131,407	139,395	150,968	159,967
Education	299,428	293,380	305,576	324,758
Health and Social Services	306,188	324,254	348,992	367,186
General Government	117,542	136,136	142,766	146,419
Capital Outlay	236,173	348,670	384,850	408,734
Debt Service	164,178	289,324	165,934	181,697
Grants and Subsidies	4,625,102	4,953,819	5,138,516	5,480,781
Total Expenditures	$ 6,271,471	$ 6,908,815	$ 7,079,521	$ 7,540,079
Net Operating Transfers-Out (3)	179,230	197,735	207,311	238,639
Total Expenditures and Net Transfers-Out	$ 6,450,701	$ 7,106,550	$ 7,286,832	$ 7,778,718

(1) Revenues and expenditures are accounted for on the modified accrual basis.
(2) Revenue for fiscal years 1984-1987 is shown at gross with revenue refunds shown separately. Fiscal years 1988 through 1993 revenue is shown net of revenue refunds.
(3) Net operating transfers-out are reduced by bond proceeds of the Special Revenue Funds for the following years:

1984	$40,000,000	1987	$ 8,000,000	1990	$20,370,000	1993	$34,945,000
1985	35,000,000	1988	10,500,000	1991	32,904,000		
1986	1,250,000	1989	7,750,000	1992	22,460,000		

STATE OF MINNESOTA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1984-1993
(In Thousands)

1988	1989	1990	1991	1992	1993
$ 2,626,343	$ 2,491,602	$ 2,881,050	$ 2,969,239	$ 3,148,740	$ 3,470,244
416,646	500,177	481,311	462,943	428,412	507,703
1,681,263	1,779,569	1,869,592	1,961,716	2,192,547	2,375,793
224,490	220,007	164,139	159,745	146,487	145,248
235,907	249,507	256,589	236,236	270,151	295,755
254,061	272,476	297,351	331,783	349,549	384,209
386,971	449,621	456,723	451,995	457,826	462,136
382,140	427,094	441,290	516,981	623,714	712,043
1,821,810	1,959,518	2,151,582	2,213,281	2,508,640	2,777,061
601,652	679,575	751,114	756,795	781,761	789,002
$ 8,631,283	$ 9,029,146	$ 9,750,741	$ 10,060,714	$ 10,907,827	11,919,194
-	-	-	-	-	-
$ 8,631,283	$ 9,029,146	$ 9,750,741	$ 10,060,714	$ 10,907,827	$ 11,919,194

STATE OF MINNESOTA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION AND NET TRANSFERS-OUT (1)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FISCAL YEARS 1984-1993
(In Thousands)

1988	1989	1990	1991	1992	1993
$ 118,376	$ 129,357	$ 142,613	$ 157,528	$ 169,391	$ 178,778
253,540	263,339	283,256	304,486	316,628	329,310
145,498	158,710	177,919	196,699	216,059	226,664
157,734	176,742	192,726	200,036	221,856	258,183
365,818	408,984	461,412	501,098	505,997	529,844
399,713	417,716	467,149	545,547	539,419	558,076
166,060	178,581	200,603	187,190	205,434	222,141
446,849	443,365	508,723	465,632	492,968	486,578
175,702	181,330	245,278	276,982	277,741	313,776
5,812,261	6,136,187	6,750,608	7,453,042	7,868,726	8,164,541
$ 8,041,551	$ 8,494,311	$ 9,430,287	$ 10,288,240	$ 10,814,219	$ 11,267,891
245,917	301,420	293,079	232,882	247,642	296,850
$ 8,287,468	$ 8,795,731	$ 9,723,366	$ 10,521,122	$ 11,061,861	$ 11,564,741

STATE OF MINNESOTA
ASSESSED VALUE OF TAXABLE PROPERTY
1984-1993

Year of Assessment	Real Property	Personal Property	Total Assessed Value/ Tax Capacity (1)	Percentage Increase Per Year
1984	$ 28,146,965,204	$ 797,750,660	$ 28,944,715,864	2.02 %
1985	28,412,803,371	828,890,699	29,241,694,070	1.03
1986	28,589,100,164	857,267,746	29,446,367,910	0.70
1987	29,019,276,963	875,697,037	29,894,974,000	1.52
1988 (1)	3,789,536,570	108,915,980	3,898,452,550	N/A
1989	3,023,231,788	131,014,287	3,154,246,075	N/A
1990	3,146,653,676	134,539,984	3,281,193,660	4.02
1991	3,100,542,487	133,137,661	3,233,680,148	(1.45)
1992	3,068,090,432	137,961,249	3,206,051,681	(0.85)
1993 (est)	3,057,000,000	138,000,000	3,195,000,000	(0.34)

(1) Laws of 1988 changed the basis for calculating taxes from the assessed value and mill rate to the gross tax capacity rate for 1988 taxes payable in 1989, and to the net tax capacity rate for 1989 and subsequent years. Therefore, values for 1988 and 1989 are not comparable with each other nor with values for earlier years.

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
MARKET VALUE OF TAXABLE PROPERTY
1984-1993

Year of Assessment	Real Property	Personal Property	Total Market Value	Percentage Increase Per Year
1984	$ 120,668,207,126	$ 1,892,326,701	$ 122,560,533,827	2.03 %
1985	121,217,292,475	1,967,183,838	123,184,476,313	0.51
1986	119,726,713,732	2,033,815,060	121,760,528,792	(1.16)
1987	121,569,192,136	2,077,487,365	123,646,679,501	1.55
1988	128,658,534,060	2,111,366,270	130,769,900,330	5.76
1989	135,675,706,727	2,649,874,844	138,325,581,571	5.78
1990	143,606,454,726	2,783,575,907	146,390,030,633	5.83
1991	149,150,447,836	2,873,816,502	152,024,264,338	3.85
1992	153,992,637,000	2,968,756,000	156,961,393,000	3.25
1993 (est)	159,016,000,000	3,028,000,000	162,044,000,000	3.24

Source: Minnesota Department of Revenue.

STATE OF MINNESOTA
SCHEDULE OF RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
OF TAXABLE PROPERTY AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
FISCAL YEARS 1984-1993

Year	General Obligation Bonded Debt (In Thousands)	Percent Debt to Assessed Value (1)	Bonded Debt Per Capita
1984	$ 1,057,945	3.76 %	$ 254.2
1985	1,130,155	3.98	269.7
1986	1,202,536	4.31	285.4
1987	1,137,560	4.07	267.9
1988	1,277,783	4.12	296.7
1989	1,404,145	N/A (2)	322.6
1990	1,507,645	N/A	344.6
1991	1,573,630	N/A	357.9
1992	1,630,105	N/A	364.7
1993	1,706,885	N/A	377.5

(1) Includes real property only.
(2) Comparable information no longer available. See note on statistical table for assessed value of taxable property.

STATE OF MINNESOTA
SCHEDULE OF RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION
BONDED DEBT TO GENERAL EXPENDITURES
FISCAL YEARS 1984-1993
(In Thousands)

Year	Principal	Interest	Total Debt Service	General Expenditures (1)	Percent of Expenditures
1984	$ 77,855	$ 61,486	$ 139,341	$ 6,271,471	2.22 %
1985	84,890	71,578	156,468	6,908,815	2.26
1986	85,860	74,943	160,803	7,079,521	2.27
1987	92,665	82,515	175,180	7,540,079	2.32
1988	87,195	88,507	175,702	8,041,551	2.18
1989	83,865	87,528	171,393	8,494,311	2.02
1990	121,475	96,276	217,751	9,430,257	2.31
1991	133,990	103,642	237,632	10,288,240	2.31
1992	138,525	112,104	250,629	10,814,219	2.32
1993	140,885	115,714	256,599	11,267,891	2.28

(1) Includes the General, Special Revenue and Debt Service Funds.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HOUSING FINANCE AGENCY
PROGRAMS FUND
FISCAL YEARS 1984-1993
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage (3)
1984	$ 46,648	$ 127,350	$ 3,416	$ 170,582	$ 37,675	$ 104,467	$ 142,142	1.20
1985	40,750	148,800	3,448	186,102	52,695	120,173	172,868	1.08
1986	69,833	156,115	4,820	221,128	54,934	132,598	187,532	1.18
1987	111,348	150,986	6,584	255,750	172,229	124,709	296,938	0.86
1988	92,256	156,071	5,276	243,051	115,595	125,746	241,341	1.01
1989	73,693	167,259	5,801	235,151	76,964	134,118	211,082	1.11
1990	89,099	173,082	6,238	255,943	87,114	138,088	225,202	1.14
1991	101,060	176,361	6,247	271,174	123,968	142,814	266,782	1.02
1992	152,630	172,723	6,539	318,814	288,760	147,112	435,872	0.73
1993	173,946	165,482	8,791	330,637	367,793	154,667	522,460	0.63

(1) Gains (Losses) on revenue bond refundings are included.
(2) Depreciation, amortization, interest and financing expenses are not included.
(3) Other resources not reflected above for revenue bond coverage are: federal grants and subsidies, state appropriations and fund reserves.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION FACILITIES AUTHORITY
FISCAL YEARS 1984-1993
(Dollars in Thousands)

Year	Loan/Financing Leases Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1984	$ 2,181	$ 7,929	$ 144	$ 9,966	$ 9,535	$ 7,606	$ 17,141	0.58
1985	1,978	8,067	158	9,887	10,285	7,602	17,887	0.55
1986	1,936	7,788	145	9,579	2,305	7,049	9,354	1.02
1987	2,598	7,999	195	10,402	5,825	7,254	13,079	0.80
1988	1,224	7,663	286	8,601	14,675	6,884	21,559	0.40
1989	3,022	8,595	245	11,372	13,095	7,888	20,983	0.54
1990	8,024	9,071	247	16,848	7,730	8,242	15,972	1.05
1991	6,735	9,783	274	16,244	13,001	8,944	21,945	0.74
1992	7,402	11,395	273	18,524	22,034	10,437	32,471	0.57
1993	16,895	12,794	280	29,409	20,981	11,933	32,914	0.89

(1) Investment income from nonoperating revenues is included.
(2) Depreciation, amortization, interest and financing expenses are not included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
PUBLIC FACILITIES AUTHORITY
FISCAL YEARS 1990-1993
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (2)	Direct Operating Expenses (3)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1990(1)	$ 181	$ 9,428	$ 584	$ 8,844	$ 12,390	$ 8,618	$ 21,008	0.42
1991	4,829	13,627	671	17,785	14,555	12,688	27,243	0.65
1992	1,163	18,677	963	18,877	15,305	15,571	30,876	0.61
1993	1,172	22,572	1,066	22,678	17,280	18,237	35,517	0.64

(1) First year revenue bonds were issued.
(2) Investment income from nonoperating revenues is included.
(3) Other nonoperating expenses are included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
HIGHER EDUCATION COORDINATING BOARD
STUDENT LOAN FUND
FISCAL YEARS 1984-1993
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1984	$ 55,103	$ 50,696	$ 5,486	$ 100,313	$ 66,600	$ 30,026	$ 96,626	1.04
1985	103,416	52,408	5,092	150,732	108,500	29,060	137,560	1.10
1986	47,014	51,049	5,232	92,831	20,720	22,524	43,244	2.15
1987	29,449	36,295	5,359	60,385	20,585	19,806	40,391	1.50
1988	37,077	37,417	6,152	68,342	22,000	18,431	40,431	1.69
1989	37,012	20,117	4,324	52,805	114,427	4,263	118,690	0.44
1990	27,502	21,106	4,564	44,044	2,300	3,629	5,929	7.43
1991	24,779	21,671	4,944	41,506	9,200	3,307	12,507	3.32
1992	23,938	16,777	4,699	36,016	9,800	2,451	12,251	2.94
1993	26,324	14,488	4,504	36,308	7,000	2,197	9,197	3.95

(1) Proceeds from nonstate grants and subsidies are included. Also included are gains (losses) on revenue bond refunds and investment income from nonoperating revenues.
(2) Depreciation, amortization, interest and financing expenses are not included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD
MISCELLANEOUS SPECIAL REVENUE FUND
FISCAL YEARS 1985-1993
(Dollars in Thousands)

Year	Loan Repayments	Gross Revenue (2)	Direct Operating Expenses	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1985(1)	$ -	$ 654	$ 165	$ 489	$ -	$ 372	$ 372	1.31
1986	166	5,574	3,083	2,657	120	4,696	4,816	0.55
1987	589	9,703	79	10,213	575	8,564	9,139	1.12
1988	1,721	10,501	96	12,126	2,485	8,829	11,314	1.07
1989	1,228	10,533	53	11,708	10,730	8,805	19,535	0.60
1990	1,401	4,448	12	5,837	1,300	3,028	4,328	1.35
1991	5,436	5,577	19	10,994	1,590	3,846	5,436	2.02
1992	4,763	3,893	11	8,645	3,225	4,172	7,397	1.17
1993	6,561	4,317	9	10,869	7,440	3,628	11,068	0.98

(1) First year revenue bonds were issued.
(2) Investment income from nonoperating revenues is included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
STATE UNIVERSITY BOARD REVENUE FUND
FISCAL YEARS 1984-1993
(Dollars in Thousands)

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1984	$ 26,487	$ 20,877	$ 5,610	$ 1,500	$ 2,217	$ 3,717	1.51
1985	29,642	21,546	8,096	1,565	2,136	3,701	2.19
1986	29,891	22,247	7,644	1,605	2,061	3,666	2.09
1987	31,695	22,637	9,058	1,655	1,983	3,638	2.49
1988	33,675	24,683	8,992	1,700	1,903	3,603	2.50
1989	36,813	26,053	10,760	1,510	1,649	3,159	3.41
1990	39,415	27,610	11,805	3,215	1,828	5,043	2.34
1991	40,449	30,790	9,659	4,675	1,746	6,421	1.50
1992	39,831	30,525	9,306	580	1,545	2,125	4.38
1993	38,674	29,698	8,976	605	1,371	1,976	4.54

(1) Proceeds from grants and subsidies and investment income from nonoperating revenues are included.
(2) Depreciation, amortization, interest and financing expenses are not included.

STATE OF MINNESOTA
SCHEDULE OF REVENUE BOND COVERAGE
VERMILION COMMUNITY COLLEGE DORMITORY
COLLEGE AND UNIVERSITY ENTERPRISE ACTIVITIES
FISCAL YEARS 1989-1993
(Dollars in Thousands)

Year	Gross Revenue (2)	Direct Operating Expenses (3)	Net Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1989(1)	$ 268	$ 55	$ 213	$ -	$ 130	$ 130	1.64
1990	243	84	159	35	111	146	1.09
1991	269	98	171	35	107	142	1.20
1992	255	114	141	40	105	145	0.97
1993	242	132	110	40	102	142	0.77

(1) First year revenue bonds were issued.
(2) Proceeds from grants and subsidies and investment income from nonoperating revenues are included.
(3) Depreciation, amortization, interest and financing expenses are not included.

MINNESOTA BANK DEPOSITS AND GROSS RETAIL SALES
1984-1993
(In Millions)

Year	Bank Deposits	Retail Sales
1984	$ 37,263	$ 25,948
1985	39,236	26,734
1986	41,601	29,450
1987	42,400	30,994
1988	41,176	33,302
1989	40,799	37,019
1990	45,384	39,638
1991	45,300	37,919
1992	43,771	N/A
1993	45,157	N/A

Sources: Federal Deposit Insurance Corporation.
Minnesota Department of Revenue, Unpublished.

MINNESOTA POPULATION, PER CAPITA PERSONAL INCOME AND UNEMPLOYMENT RATE
1984-1993

Year	Population (In Thousands)	Personal Income	Unemployment Rate
1984	4,164	$ 13,410	6.3 %
1985	4,191	14,144	6.0
1986	4,214	14,900	5.3
1987	4,246	15,788	5.4
1988	4,307	16,653	4.0
1989	4,353	17,747	4.4
1990	4,390	18,729	4.8
1991	4,432	19,108	5.1
1992	4,478	20,227	5.1
1993 (est)	4,522	21,105	5.3

Source: Data Resources Incorporated.

STATE OF MINNESOTA
NEW HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING LOCALITIES
1984-1993
(In Thousands)

Year	Valuation	Year	Valuation
1984	$ 1,456,444	1989	$ 1,946,611
1985	1,650,678	1990	1,867,065
1986	2,141,579	1991	1,882,328
1987	2,421,528	1992	2,481,644
1988	2,071,921	1993	N/A

Source: U.S. Bureau of the Census Construction Reports.

EMPLOYMENT MIX IN MINNESOTA
1984-1993
(In Thousands)

Category	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993 (est)
Manufacturing Durable	225.1	225.1	217.5	221.1	234.5	235.0	231.5	225.3	223.9	223.6
Manufacturing Non-Durable	147.4	149.0	150.0	154.0	159.6	164.8	169.3	171.0	171.9	173.7
Mining	9.3	8.3	6.5	6.0	7.1	7.7	8.1	7.9	7.6	7.4
Construction	67.4	71.3	74.9	80.3	77.9	79.0	79.5	75.8	76.9	77.6
Transportation/Public Utilities	96.9	98.4	98.0	99.9	101.7	105.2	109.5	110.2	109.4	107.9
Trade	455.7	465.6	470.5	489.3	505.3	514.3	518.5	517.4	426.9	535.3
Finance/Insurance/Real Estate	108.1	110.3	115.0	119.1	119.6	121.0	125.2	127.5	129.6	134.6
Service	416.5	435.0	452.3	478.0	501.6	531.1	549.3	558.2	592.6	622.7
Government	293.8	301.2	307.9	313.8	320.8	328.7	337.8	343.3	346.9	350.6
Agriculture	115.1	113.1	96.0	97.9	101.2	101.6	107.6	93.8	84.1	92.4
Total Employed	1,933.3	1,977.3	1,988.6	2,059.4	2,129.3	2,188.4	2,236.3	2,230.4	2,169.8	2,325.8

Source: Minnesota Department of Jobs and Training.

STATE OF MINNESOTA
AVERAGE DAILY PUBLIC SCHOOL MEMBERSHIP

School Year	Kindergarten	Elementary	Secondary
1983-84	56,006	290,904	353,273
1984-85	58,129	292,873	344,817
1985-86	61,151	301,282	336,573
1986-87	60,893	312,687	331,496
1987-88	61,915	327,518	323,314
1988-89	61,917	340,969	315,349
1989-90	62,002	353,944	312,545
1990-91	63,886	363,978	317,730
1991-92	67,310	372,558	323,891
1992-93 (est)	68,320	377,274	374,299

Source: Minnesota Department of Education

MINNESOTA BASED CORPORATIONS INCLUDED IN THE FORTUNE 500
(Dollars in Thousands)

Rank 1992	Rank 1991	Company	Sales	Assets	Rank	Net Income	Rank
28	29	Minnesota Mining & Manufacturing	$ 13,883,000	$ 11,955,000	35	$ 1,233,000	11
68	68	General Mills	7,795,000	4,305,000	112	495,600	37
86	83	Honeywell	6,254,000	4,870,100	101	246,800	65
169	162	Geo. A. Hormel	2,813,700	913,000	331	95,200	136
181	180	Land O'Lakes	2,561,800	840,500	347	N/A	-
202	195	International Multifoods	2,281,400	767,700	365	22,000	276
238	N/A	Farmers Union Central Exchange	1,778,500	1,055,900	309	N/A	-
267	263	Deluxe Check Printers	1,552,300	1,197,000	281	202,800	78
302	328	Alliant Techsystems	1,274,400	521,800	430	38,800	230
308	306	Pentair	1,239,000	869,000	343	42,800	217
313	331	Medtronic	1,187,200	1,163,500	289	161,500	96
316	310	Bemis	1,181,300	742,700	371	57,000	189
357	N/A	Ecolab	1,004,800	832,400	349	64,300	172
371	374	H. B. Fuller	933,700	561,200	416	35,600	240
390	372	Jostens	876,400	565,400	414	61,400	182
408	370	Cray Research	797,600	1,021,300	311	(14,900)	347
449	455	Valspar	683,500	321,600	482	34,400	242
470	424	Toro	635,200	421,300	459	(23,800)	351

Source: Fortune Magazine, dated April 19, 1993.

STATE OF MINNESOTA
MISCELLANEOUS STATISTICS
JUNE 30, 1993

Date of Statehood	May 11, 1858 - 32nd State	
Land Area - 12th Largest State	84,068 Square Miles	
Higher Education:		
2 Year State Community Colleges	18	
4 Year State Universities	7	
University of Minnesota	5	Campuses
2 Year Technical Colleges	33	Campuses
4 Year Private Colleges	32	
2 Year Private Colleges	1	
Private Professional Schools	6	
Private Vocational Schools	71	
Trade Routes:		
Miles of Highways	133,139	
Miles of Main Line Railroad Track	4,798	
Public Airports	138	
Waterways -		
Lake Superior		
Mississippi River		
Recreation:		
Lakes	11,842	
State Forests	57	
Area of State Forests	3,200,000	Acres
State Parks	66	
Area of State Parks	220,000	Acres

Sources:

- Community College System
- Higher Education Coordinating Board
- Department of Natural Resources
- State University System
- Department of Transportation
- Vocational Technical Education

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